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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2021-22

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 11

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 1376)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As the "SME ReachOut" has commenced operation starting 1 January 2020, please inform this Committee of:

1. the manpower and expenditure involved;
2. the number of enquiries received from enterprises and the number of cases of successful matching of suitable funding schemes;
3. whether additional resources will be allocated to promote and publicise this service so as to raise SMEs' awareness of Government funding schemes and encourage them to make good use of the support of the Government. If yes, what are the details of the work plans and the manpower and expenditure to be allocated for the relevant work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 12)

Reply:

SME ReachOut has commenced operation since January 2021 to help small and medium enterprises (SMEs) identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. In 2020, SME ReachOut handled over 5 000 enquiries (including simple enquiries by phone and email, application reviews, and one-on-one consultation services). Under the assistance of SME ReachOut, over 1 500 applications have been/will be submitted. SME ReachOut comprises six members, and the expenditure in 2020 is around \$10 million.

In 2021, SME ReachOut will continue to strengthen promotion through various channels, including collaborating with the media in conducting publicity, and organising online and offline promotional activities. The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)002

(Question Serial No. 0002)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the estimated expenditure on the emoluments and allowances for the Secretary for Commerce and Economic Development (SCED), the Under Secretary for Commerce and Economic Development and the Political Assistant to SCED in 2021-22.

Asked by: Hon CHENG Chung-tai (LegCo internal reference no.: 2)

Reply:

The provisions reserved for the salary in respect of the positions of Secretary for Commerce and Economic Development (SCED), Under Secretary for Commerce and Economic Development (USCED) and Political Assistant (PA) to SCED for 2021-22 are \$4.07 million, \$2.72 million and \$1.05 million respectively. No provisions are reserved for allowances for SCED, USCED and PA.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)003****(Question Serial No. 0522)**

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list out the number of reports received, undercover operations conducted, prosecutions made, convictions handed down and the amount of fines for the five types of unfair trade practices, i.e. aggressive commercial practices, bait advertising, bait and switch, misleading omissions and wrongly accepting payment, over the past year.

Asked by: Hon CHENG Chung-tai (LegCo internal reference no.: 55)

Reply:

Last year, the figures in relation to the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED) against the five types of unfair trade practices are as follows:

Breakdown of figures	Offence				
	Misleading omissions	Aggressive commercial practices	Bait advertising	Bait and switch	Wrongly accepting payment
Number of complaints	159	185	17	7	2 380
Number of prosecutions	6	10	0	0	37
Number of convicted (companies / individuals)	5	7	0	0	2
Amount of fines	\$2,000 to \$5,000	-	-	-	-

Breakdown of figures	Offence				
	Misleading omissions	Aggressive commercial practices	Bait advertising	Bait and switch	Wrongly accepting payment
Imprisonment (without suspended sentence)	-	3 weeks' imprisonment to 4 months' imprisonment	-	-	14 months' imprisonment
Imprisonment (with suspended sentence)	3 months' imprisonment (suspended for 1 year)	-	-	-	16 days' imprisonment (suspended for 1 year)
Community Service Order	150 hours to 200 hours	81 hours	-	-	-
Number of undercover operations[^] : 906					

Note: [^] Covers all undercover operations in relation to C&ED's enforcement of the TDO in 2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)004

(Question Serial No. 2858)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide a list of the destinations, dates and number of duty visits outside Hong Kong made by the Secretary last year and the actual expenditures incurred.

Asked by: Hon CHENG Chung-tai (LegCo internal reference no.: 247)

Reply:

In 2020-21, the Secretary for Commerce and Economic Development did not conduct any duty visit outside Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)005****(Question Serial No. 2911)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out the number of applications received and approved as well as the total loan amount approved under the SME Financing Guarantee Scheme and the SME Loan Guarantee Scheme in the past year; and provide a breakdown of the loan amount approved by actual interest rate (i.e. less than 2%, 2 to 5%, 5 to 8%, 8 to 10%, and more than 10%).

Asked by: Hon CHENG Chung-tai (LegCo internal reference no.: 56)

Reply:

From January 2020 to end February 2021, the application figures of the SME Financing Guarantee Scheme (SFGS) and SME Loan Guarantee Scheme (SGS) are as follows:

	SFGS	SGS
Number of Applications Received	35 071	120
Number of Applications Approved	33 853	104
Total Loan Amount of Approved Cases (\$)	62.385 billion	0.37 billion

As at end February 2021, the distribution of loan amounts for cases approved but not yet matured under the SFGS and SGS by the effective loan interest rate is as follows:

	SFGS	SGS (Note)
Not higher than 3%	\$49.349 billion	\$0.151 billion
Higher than 3% but not higher than 5%	\$21.748 billion	\$1.219 billion
Higher than 5% but not higher than 8%	\$12.966 billion	\$0.646 billion
Higher than 8% but not higher than 10%	\$1.546 billion	\$0.042 billion
Higher than 10%	\$0.1 billion	\$0.013 billion

Note: These figures include only loans at fixed annual interest rates which account for about 67% of the total number of applications approved under the SGS. Loans at floating rates are not included.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)006

(Question Serial No. 2919)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise the average daily attendance of the Ocean Park (OP) since 18 February, as well as the estimated expenditures, manpower, work plans and performance indicators of monitoring the operation of OP, especially the new amusement rides, the waterpark and hotel projects.

Asked by: Hon CHENG Chung-tai (LegCo internal reference no.: 49)

Reply:

From the re-opening of the Ocean Park on 18 February 2021 to 9 March 2021, the average daily attendance is around 4 600 visitors.

The Commerce and Economic Development Bureau (CEDB) and other departments work closely with the Ocean Park Corporation to facilitate its implementation of the Water World and hotel development projects. CEDB is responsible for charting the way forward of Ocean Park. The expenditure and number of staff involved in the work mentioned above cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2198)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in his Budget that he would earmark \$169 million to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival. The development of heritage tourism has been very popular outside of Hong Kong, and some places even see the participation of governments and statutory bodies in organising free, short guided tour. Please advise this Committee of the following:

1. Hong Kong boasts a rich collection of heritage and artefacts. The Commissioner for Heritage's Office has devised several Notes of a Heritage Visitor tour routes which are not only appealing to non-local visitors but also well-suited for local residents enjoying the tours. Will the Government support and step up promotion for local heritage tourism? If so, what are the details? If not, what are the reasons?
2. What is the Government's estimated expenditure on heritage tourism projects in the coming 3 years? Will the Government train up relevant talent to provide guided tours within a short time and increase time-limited posts? If so, what are the details?
3. Bright ideas on heritage conservation may come from the community. Will the Government consider working with conservation experts of historic structures from the universities or the community to explore the development of heritage tourism? If so, what are the details?

Asked by: Hon CHENG Wing-shun, Vincent (LegCo internal reference no.: 78)

Reply:

The Government has been exploring, developing and taking forward various projects of heritage tourism with different themes in different districts to enrich visitors' experience. In the coming three years, the Government will take forward the following projects of heritage tourism:

Project	Details
1. Tai Hang Fire Dragon Heritage Centre	<ul style="list-style-type: none">Through the “Revitalising Historic Buildings Through Partnership Scheme” (Revitalisation Scheme), the Development Bureau (DEVB) will revitalise No. 12 School Street at Tai Hang into the Tai Hang Fire Dragon Heritage Centre to promote the Tai Hang fire dragon dance and traditional Hakka culture, customs and history. The project is expected to commence operation in 2021 and will become a new cultural and tourist landmark with Hong Kong characteristics.
2. “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none">The Government will allocate \$40 million to Tourism Commission (TC) from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands.“Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
3. “City in Time” – Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none">The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations.“City in Time” is a tourism project, under which TC partners with the School of Creative Media, City University of Hong Kong, to bring back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
4. Upgrading the facilities of Wong Nai Chung Gap Trail (WNCGT)	<ul style="list-style-type: none">TC, in collaboration with the Architectural Services Department (ArchSD) and other relevant departments, has worked out the proposal for upgrading the facilities of WNCGT, mainly including improvement works of tourism supporting facilities, repair works of damaged paths, etc. The total budget is estimated at \$4 million. ArchSD has appointed a consultant in October 2020 to carry out the preparatory work for the commencement of construction, including design proposal for tourism supporting facilities and details of tender exercise of the works. It is expected that the construction works will commence in the fourth quarter of 2021 for completion in the second quarter of 2022.

Regarding publicity and promotion, DEVB will continue to introduce various projects under the Revitalisation Scheme through various channels, including dedicated website, newsletter, social media and roving exhibitions, etc., to attract more people to visit these historic buildings.

In addition, the Hong Kong Tourism Board (HKTb) will promote the above projects of heritage tourism and the routes of leisure walk in different districts featuring buildings with historical value to visitors, through various channels including website, social media and Visitor Centres. HKTb also provides subsidies to trade partners or assists them in promotion under the “Explore Hong Kong Tours” scheme, with a view to encouraging the travel trade to develop and launch more new travel products, including monument-themed itineraries.

In taking forward the relevant projects, the relevant participating organisations will, taking into account the nature of the projects, train up the necessary manpower for providing docent services, to enable visitors’ deeper understanding on the history and culture in relation to the projects, with a view to offering them leisure and travel experience with rich historical and cultural elements. In 2021-22, the Employees Retraining Board will offer 16 tourism-related courses, including the “Foundation Certificate in In-depth District Tourism Knowledge and Guided Tour Skills (Part-time)” which is planned to be launched in the second quarter this year. The course content will cover elements on culture, history and heritage, so as to enhance the understanding of travel practitioners on Hong Kong’s culture, history and heritage.

The staffing for the above projects is absorbed by the existing establishment of DEVB and the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau, which cannot be quantified separately. We have no plan to create any new posts for the projects at the time being.

When developing projects of heritage tourism, the Government will take into account the resources, facilities and infrastructure of different districts and neighbourhoods on the principle of sustainable development, and consult scholars, professionals and stakeholders before finalising implementation details of the projects.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)008****(Question Serial No. 3113)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In view of the substantial reduction in the number of overseas visitors to Hong Kong due to the COVID-19 pandemic, please inform this Committee of the following:

Regarding the Special 100% Loan Guarantee of the SME Financing Guarantee Scheme launched by the Government, it is announced in this year's Budget that the scheme will be extended to the end of this year and the loan ceiling will be raised. How many hotels and guesthouses have applied under the scheme in the past one year? What are the maximum, minimum and median amount of loans granted?

Asked by: Hon CHENG Wing-shun, Vincent (LegCo internal reference no.: 72)

Reply:

As at end February 2021, out of 28 479 applications approved under the Special 100% Guarantee Product of the SME Financing Guarantee Scheme, the borrowing enterprises of 121 applications are in the hotel/hospitality service sector. The average loan amount of these approved cases is \$1.95 million.

The distribution of loan amounts for approved cases of the Special 100% Guarantee Product is as follows:

Total Loan Amount of Approved Cases	Number of Applications Approved
Not more than \$2 million	20 623
More than \$2 million but not more than \$4 million	6 806
More than \$4 million but not more than \$5 million	1 050
Average loan amount of approved cases	\$1.59 million

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)009****(Question Serial No. 1056)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary spoke of measures to support tourism in paragraph 48 of the Budget Speech, stating that financial support of nearly \$2.6 billion had already been provided for the tourism industry, and \$934 million would be earmarked to enhance tourism resources. In this connection, will the Government advise this Committee on:

1. its specific plan and the timetable for enhancing tourism resources;
2. the breakdown of expenditure in relation to the financial support of \$2.6 billion; and
3. the staff establishment for enhancing tourism resources?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 8)

Reply:

In response to the complete halt of the tourism industry under the epidemic, the Government has, through the Anti-epidemic Fund (AEF), provided four rounds of financial support to the tourism industry. Coupled with the other helping measures including the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme rolled out earlier, the cumulative commitment of the Government support to the tourism industry amounts to some \$2.6 billion in total. Details are as follows:

Item and Description	Funding Commitment (\$ million)
(1) First round of AEF	
• Setting up the Travel Agents Support Scheme to provide each travel agent with a subsidy of \$80,000	140
• Setting up the Licensed Guesthouses Subsidy Scheme to provide each guesthouse with a subsidy of \$50,000 or \$80,000 (depending on the number of licensed guestrooms)	150

Item and Description	Funding Commitment (\$ million)
(2) Second round of AEF	
<ul style="list-style-type: none"> • Setting up the Travel Agents and Practitioners Support Scheme to provide each travel agent with cash subsidy ranging from \$20,000 to \$200,000 (depending on the number of its employees); and to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a subsidy equivalent to \$5,000 monthly for 6 months 	1,070
<ul style="list-style-type: none"> • Setting up the Hotel Sector Support Scheme to provide each eligible hotel a one-off subsidy of \$300,000 or \$400,000 (depending on the number of guestrooms under the licence) 	
<ul style="list-style-type: none"> • Setting up the Tour Service Coach Drivers (Mainly Serving Tourists) Support Scheme to provide each tour service coach driver a one-off subsidy of \$10,000 	
<ul style="list-style-type: none"> • Waiving the monthly fixed rent and management fees of the terminal operator of the Kai Tak Cruise Terminal 	
<ul style="list-style-type: none"> • Providing refund to cruise lines in respect of berth deposits for cancelled ship calls during suspension of immigration service 	
(3) Third round of AEF	
<ul style="list-style-type: none"> • Setting up the Tourism Industry Support Scheme: <ul style="list-style-type: none"> ➢ to provide each travel agent with a cash subsidy directly proportional to the number of staff members they have, using a subsidy level (i.e. \$5,000) per travel agent staff member as the basis of calculation. Travel agent without any staff will also be getting a one-off subsidy of \$5,000; ➢ to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a one-off subsidy of \$15,000; and ➢ to provide each tour service coach driver a one-off subsidy of \$6,700. 	397
(4) Fourth round of AEF	
<ul style="list-style-type: none"> • Setting up the Tourism Industry Additional Support Scheme: <ul style="list-style-type: none"> ➢ to provide each travel agent with a cash subsidy; the subsidy level for travel agents with 10 staff members or less will be at a flat rate of \$100,000 each; the subsidy level for travel agents with 11 staff members or more will be directly proportional to the number of staff members they have, using a subsidy; 	564

Item and Description	Funding Commitment (\$ million)
<ul style="list-style-type: none"> ➤ to provide each travel agent’s staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a one-off subsidy of \$15,000; and ➤ to provide each tour service coach driver a one-off subsidy of \$6,700. 	
(5) Travel Agents Incentive Scheme	
To provide incentive payments for travel agents based on the number of inbound and outbound overnight travellers they served. The maximum number of eligible travellers for which incentive payments can be disbursed to a travel agent is 1 000, which includes inbound travellers (incentive payment of \$120 each) and outbound travellers (incentive payment of \$100 each).	About 150
(6) Green Lifestyle Local Tour Incentive Scheme	
To provide travel agents with incentive payments based on the number of green lifestyle local tour participants they serve. Each travel agent is eligible for a maximum incentive payment of \$200,000 (incentive payment of \$200 for each tour participant).	100

Remark: The disbursement of special allowance for the travel trade under the Anti-epidemic Fund is outside the scope of the Appropriation Bill or the estimates of the General Revenue Account.

In 2021-22, the Government will earmark a total \$934 million to enhance tourism resources, of which \$169 million will be allocated to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) “City in Time” - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. • “City in Time” is a tourism project, under which TC is partnering with the School of Creative Media, City University of Hong Kong, to take forward the project by using augmented reality and creative multimedia technology through mobile application to bring back to life the history of individual landmarks of Hong Kong, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their

Initiatives	Details and Latest Progress
	<p>experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.</p>
<p>(2) “Design District Hong Kong” (#ddHK) - New tourism projects with creative, artistic and cultural elements</p>	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “#ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
<p>(3) “Yim Tin Tsai Arts Festival”</p>	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
<p>(4) “Enhancement of Hiking Trails - Phase II”</p>	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail

Initiatives	Details and Latest Progress
	(Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

Apart from the above projects, the Government will also allocate \$765 million in 2021-22 to support the Hong Kong Tourism Board (HKTB) in reviving the tourism industry. HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

According to HKTB's work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> • Cheerleading and boosting domestic consumption (including "Holiday at Home") • Leveraging various promotional campaigns to maintain Hong Kong's international exposure • Large-scale promotions to attract visitors when travel gradually resumes • Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors 	248 (32%)
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> • Holistic review of Hong Kong's tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong's tourism image when travel gradually resumes 	333 (44%)

Strategic focuses	Additional funding from the Budget (\$ million) (Percentage of overall budget)
<ul style="list-style-type: none"> ● Partnering with other cities in the GBA for global promotions to build the GBA tourism brand ● Creating a smart travel experience for visitors through a one-stop e-solution 	
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> ● Enhancing subsidy schemes and sponsoring trade's participation in trade events to expedite business recovery* ● Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually ● Organising mega events and supporting other events in town to maintain Hong Kong's international exposure 	184 (24%)
Total	765

* Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately according to prevailing conditions where necessary.

Since the work mentioned above will be jointly undertaken by TC and HKTB, the staff establishment cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)010

(Question Serial No. 1057)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 49 of the Budget Speech that \$765 million will be earmarked to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry. The HKTB has launched promotional programmes such as “Holiday at Home” and “360 Hong Kong Moments” with a view to enhancing local ambience and consumption. In this connection, will the Government inform this Committee of:

1. the expenditure on “Holiday at Home”, among which the amount for promoting the local catering and retail industries; and
2. whether the Government has compiled statistics on how effective “Holiday at Home” and “360 Hong Kong Moments” are in “enhancing local ambience and consumption”; the total expenditure of these 2 programmes and the relevant staff establishment?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 9)

Reply:

The Hong Kong Tourism Board (HKTB) launched a local promotion platform, “Holiday at Home”, in June 2020, which introduced in-depth local itineraries and travel experiences at a dedicated website. The one-stop platform provided over 15 000 offers from dining and retail outlets, attractions and hotels, etc. to rebuild the local atmosphere and boost consumption, while delivering a positive message about Hong Kong to source markets and generating confidence among visitors in coming to the city in the future. There were nearly 3.7 million visits to the campaign website by the end of December.

The second phase of the “Holiday at Home” promotion was launched in late October 2020 with a Spend-to-Redeem Free Tour programme. Members of the public could redeem a quota for a free local tour upon spending \$800 in physical retail or dining outlets. HKTB supported travel agencies to organise local tours by subsidising \$500 for each tour

participant. The programme encouraged the public to patronise physical outlets in town to maintain the chain of consumption and enhance the tourism ambience. The programme received an overwhelming response, with the 10,000-place quota for tours filled within about a week of its launch. Because of the evolving epidemic situation, the Free Tour programme was suspended in December. The tours will resume when the epidemic situation stabilises and the group gathering restriction on local tours is relaxed.

In 2020-21, HKTB's estimated marketing budget and expenditure for the "Holiday at Home" campaign is \$85.5 million.

In 2021-22, until inbound travel resumes, HKTB will continue to leverage the "Holiday at Home" platform for local promotions and gather and promote numerous offers from the trade. Riding on the overwhelming response to the Spend-to-Redeem Free Tour programme, HKTB will launch a new "Staycation Delights" campaign with 20 000 quotas when the epidemic situation improves to provide the public with an additional option to enjoy the "spend-to-redeem" offers; when Government restrictions on local tours are relaxed, HKTB will roll out the Phase II of the "Free Tour" Programme with 20 000 quotas, thereby to promote the local ambience and boost consumption, deliver a positive message to source markets, prepare for tourism recovery, and increase travellers' confidence in visiting Hong Kong in the future. In 2021-22, HKTB's estimated marketing budget and expenditure for the "Holiday at Home" campaign is \$47.4 million. HKTB has set up various key performance indicators for the "Holiday at Home" campaign, including website traffic, number of participants in the "Spend-to-Redeem Free Tour" and publicity effectiveness.

As a promotional campaign targeted at visitors, "360 Hong Kong Moments" campaign is one of the initiatives of HKTB to maintain Hong Kong's international exposure in preparation for the reopening of markets. In this programme, HKTB produced about 20 videos on a variety of themes in 2020-21. Using the latest 360-degree Virtual Reality panoramic technology or other innovative filming techniques, the videos allowed audiences to enjoy immersive journeys through Hong Kong's diverse travel experiences.

In 2021-22, HKTB's estimated expenditure for the "360 Hong Kong Moments" campaign is \$10 million. HKTB has set up key performance indicators for the "360 Hong Kong Moments" campaign, including video and social traffics.

Since both the "Holiday at Home" and "360 Hong Kong Moments" campaigns will be undertaken by HKTB's existing manpower, it cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)011

(Question Serial No. 1285)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the special 100% loan guarantee scheme for small and medium-sized enterprises (SMEs), please advise this Committee of the following:

1. the respective numbers of successful and unsuccessful SME applicants since the launch of the scheme, and the reasons for the applications being unsuccessful;
2. the statistics on the numbers of employees of the successful SME applicants and the amounts of loan approved, with a breakdown on the largest, smallest and average figures in table form;
3. the statistics on the business nature of the successful SME applicants.

Asked by: Hon CHIANG Lai-wan (LegCo internal reference no.: 13)

Reply:

As at end February 2021, the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS) approved 28 479 applications in total (note), benefitting 21 481 enterprises. All applications were approved. The distribution of the number of employees involved and the total loan amount of approved cases are as follows:

Number of Employees	Number of Applications Approved
1 to 10	20 132
11 to 20	4 520
21 to 49	2 775
50 to 99	759
100 or above	293
Average number of employees of enterprises with applications approved	13 persons

Total Loan Amount of Approved Cases	Number of Applications Approved
Not more than \$2 million	20 623
More than \$2 million but not more than \$4 million	6 806
More than \$4 million but not more than \$5 million	1 050
Average loan amount of approved cases	\$1.59 million

The major beneficiary sectors of the applications approved are as follows:

Beneficiary Sector	Number of Applications Approved
Trading, Wholesale and Retail	10 486
Engineering and Construction	2 268
Manufacturing	2 005
Others	13 720

Note: Applications withdrawn by the applicant are not included.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)012

(Question Serial No. 1635)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How many resources, including the funds injected, were allocated by the Government in the past 5 financial years to support the Consumer Legal Action Fund (the Fund)? What was the financial position of the Fund in each of the past 5 years, and what was its balance as at the end of 2020?
2. How many cases were handled under the Fund in each of the past 5 years? Please set out the cases with brief description by category. Among these cases, how many were further followed up each year by providing legal advice, legal assistance or legal representation by a solicitor and a counsel? Were there any cases in which applicants were financially supported and what was the amount involved in each case? Please tabulate the above information.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 12)

Reply:

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

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

From 2015-16 to 2019-20, the expenditure of the Fund each year and the balance of the Fund were as follows:

	2015-16	2016-17	2017-18	2018-19	2019-20
Expenditure	\$2,937,877	\$2,465,604	\$1,841,757	\$1,893,838	\$859,751
Year-end Balance of the Fund	\$11,285,384	\$8,942,136	\$7,203,085	\$15,898,239	\$15,582,905

The Government injected \$10 million to the Fund in 2018-19 to support the operation of the Fund, ensuring that the Fund has sufficient resources to assist consumers in need in cases involving significant consumer interest. As at 31 December 2020, the balance of the Fund (unaudited) was \$14.72 million.

From 2015-16 to 2019-20, the number of applications received by the Management Committee of the Fund, brief descriptions of the nature of newly assisted applications and the monetary amount involved, etc., are set out in the table below.

Applications received and newly assisted applications

Year	Number of applications received	Number of newly assisted cases	Nature of newly assisted cases#	Amounts in dispute (not including interests and costs)
2015-16	9	2	Management property services* (1)	N/A
			Beauty services agreement (1)	\$78,899.50
2016-17	16	1	Money lender and loan broker (1)	\$428,400.00
2017-18	13	4	Beauty services agreement (1)	\$280,000.00
			Beauty services agreement (1)	\$14,000.00
			Beauty services agreement (1)	\$4,800.00
			Beauty services agreement (1)	\$677,205.36
2018-19	19	4	Columbarium* (2)	N/A
			Timeshare agreement (1)	\$3,000.00
			Fitness services agreement (1)	\$69,840.00
2019-20	11	5	Fitness services agreement* (3)	\$189,953.00
			Columbarium* (1)	N/A
			Financial services agreement (1)	\$100,000.00
Total	68	16		\$1,846,097.86

Note

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

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

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)013

(Question Serial No. 1636)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information:

1. the numbers of applications received and approved by the Government for redevelopment or conversion of industrial buildings into hotels in each of the past 5 years; the locations of the relevant cases approved; and the plot ratio, gross floor area and number of hotel rooms of the projects involved;
2. the numbers of additional hotels of various ratings and rooms each year between 2020 and 2024, their locations, as well as the total number of hotels and rooms available across the districts; and
3. the monthly average occupancy rates of hotel rooms in Hong Kong in the past 5 years.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 13)

Reply:

The Government announced in October 2009 a set of measures to facilitate the wholesale conversion and redevelopment of old industrial buildings (IBs) to provide more floor space that meets Hong Kong's changing social and economic needs. The measures came into effect on 1 April 2010 and ended on 31 March 2016.

According to the information provided by the Lands Department, in the past 5 years (from 1 January 2016 to 31 December 2020), the Lands Department has executed 2 lease modification applications for hotel development under the measures. A brief summary of these 2 cases is set out in the table below:

Item	Lot No. and Location	User (Note 1)	Execution date of land document	Proposed GFA (square metre) (approximate) (Note 2)	Estimated no. of hotel rooms (Note 2)
1	NKIL 4854 210-212 Choi Hung Road and 15-17 Ng Fong Street, San Po Kong	Hotel	14 March 2017	15 797	483
2	KIL 7778 103-105 Tung Chau Street, Tai Kok Tsui	Non-residential	16 January 2018	4 638	195

Note 1: The users quoted are general descriptions of the broad type of uses permissible in the lease and not intended to be the legal interpretation of the user conditions of the lot(s) in question.

Note 2: The gross floor area (GFA) and number of rooms stated in the relevant planning application.

On the other hand, the Lands Department has executed 4 special waiver applications for wholesale conversion of IBs for hotel purpose in the past 5 years (1 January 2016 to 31 December 2020) under the measures. A brief summary of these 4 cases is set out in the table below:

Item	Lot No. and Location	User (Note 1)	Execution date of land document	Proposed GFA (square metre) (approximate) (Note 2)	Estimated no. of hotel rooms (Note 2)
1	KTIL 577 101 Wai Yip Street, Kwun Tong,	Hotel	11 April 2016	3 513	99
2	KTIL 65 69/71 King Yip Street, Kwun Tong	Hotel	6 June 2018	11 145	257
3	KTIL 564 11 Tai Yip Street, Kwun Tong	Hotel	24 April 2019	3 746	96
4	AIL 152 sA ss1 and AIL 152 sA RP 41 and 43 Wong Chuk Hang Road, Wong Chuk Hang	Hotel	7 May 2019	7 969	182

Note 1: The users quoted are general descriptions of the broad type of uses permissible in the lease and not intended to be the legal interpretation of the user conditions of the lot(s) in question.

Note 2: The GFA and number of rooms stated in the relevant planning application.

The Government further announced in the 2018 Policy Address the implementation of 6 measures to facilitate transformation of old IBs to better meet our changing social and economic needs, and to address more effectively the issues of fire safety and non-compliant uses. According to the information provided by the Lands Department, no application for redevelopment or wholesale conversion of IBs for hotel purpose under those measures has been received up to 31 December 2020.

Based on information from the Hong Kong Tourism Board (HKTB), the actual and estimated increases in the number of hotels in 2020-24, in terms of regions and categories, are as follows:

		Increase in number of hotels				
		Actual increment	Estimated increment			
			2020	2021	2022	2023
Hong Kong Island		+4	+2	+1	+3	-
Category:	High tariff A hotels	+1	*			
	High tariff B hotels	+5				
	Medium tariff hotels	-				
	Unclassified hotels	-2				
Kowloon		+1	+3	+2	+4	+2
Category:	High tariff A hotels	-	*			
	High tariff B hotels	-				
	Medium tariff hotels	-				
	Unclassified hotels	+1				
New Territories and Islands		+3	+2	-	+1	-
Category:	High tariff A hotels	-	*			
	High tariff B hotels	+1				
	Medium tariff hotels	-				
	Unclassified hotels	+2				
Total		+8	+7	+3	+8	+2
Category:	High tariff A hotels	+1	*			
	High tariff B hotels	+6				
	Medium tariff hotels	-				
	Unclassified hotels	+1				

- Unchanged

* Regarding hotel information for 2021-24, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the actual and estimated increases in the number of hotel rooms in 2020-24, in terms of regions and categories, are as follows:

		Increase in number of hotel rooms				
		Actual increment	Estimated increment			
			2020	2021	2022	2023
Hong Kong Island		+1 121	+641	+60	+275	-
Category:	High tariff A hotels	+129	*			
	High tariff B hotels	+1 310				
	Medium tariff hotels	-42				
	Unclassified hotels	-276				
Kowloon		+62	+426	+163	+947	+990
Category:	High tariff A hotels	-7	*			
	High tariff B hotels	+22				
	Medium tariff hotels	-20				
	Unclassified hotels	+67				
New Territories and Islands		+1 428	+1 815	-	+380	-
Category:	High tariff A hotels	-	*			
	High tariff B hotels	+227				
	Medium tariff hotels	-7				
	Unclassified hotels	+1 208				
Total		+2 611	+2 882	+223	+1 602	+990
Category:	High tariff A hotels	+122	*			
	High tariff B hotels	+1 559				
	Medium tariff hotels	-69				
	Unclassified hotels	+999				

- Unchanged

* Regarding hotel information for 2021-24, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the actual and estimated numbers of hotels in 2020-24, in terms of regions and categories, are as follows:

		Number of hotels				
		Actual	Estimated			
		2020	2021	2022	2023	2024
Hong Kong Island		133	135	136	139	139
Category:	High tariff A hotels	15	*			
	High tariff B hotels	55				
	Medium tariff hotels	48				
	Unclassified hotels	15				
Kowloon		132	135	137	141	143
Category:	High tariff A hotels	22	*			
	High tariff B hotels	43				
	Medium tariff hotels	52				
	Unclassified hotels	15				
New Territories and Islands		46	48	48	49	49
Category:	High tariff A hotels	2	*			
	High tariff B hotels	13				
	Medium tariff hotels	28				
	Unclassified hotels	3				
Total		311	318	321	329	331
Category:	High tariff A hotels	39	*			
	High tariff B hotels	111				
	Medium tariff hotels	128				
	Unclassified hotels	33				

* Regarding hotel information for 2021-24, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the actual and estimated numbers of hotel rooms in 2020-24, in terms of regions and categories, are as follows:

		Number of hotel rooms				
		Actual	Estimated			
		2020	2021	2022	2023	2024
Hong Kong Island		27 729	28 370	28 430	28 705	28 705
Category:	High tariff A hotels	7 161	*			
	High tariff B hotels	12 823				
	Medium tariff hotels	6 420				
	Unclassified hotels	1 325				
Kowloon		36 532	36 958	37 121	38 068	39 058
Category:	High tariff A hotels	11 065	*			
	High tariff B hotels	13 374				
	Medium tariff hotels	7 824				
	Unclassified hotels	4 269				
New Territories and Islands		22 439	24 254	24 254	24 634	24 634
Category:	High tariff A hotels	1 540	*			
	High tariff B hotels	7 437				
	Medium tariff hotels	12 246				
	Unclassified hotels	1 216				
Total		86 700	89 582	89 805	91 407	92 397
Category:	High tariff A hotels	19 766	*			
	High tariff B hotels	33 634				
	Medium tariff hotels	26 490				
	Unclassified hotels	6 810				

* Regarding hotel information for 2021-24, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the monthly average occupancy rates of hotel rooms in Hong Kong over the past 5 years are as follows:

	Monthly average hotel room occupancy rate (%)				
	2016	2017	2018	2019	2020
Jan	86	87	92	92	59
Feb	78	87	90	91	29
Mar	84	90	93	92	32
Apr	88	89	92	89	34
May	82	84	88	88	37
Jun	84	87	90	87	44
Jul	88	90	91	86	49
Aug	90	91	94	66	50
Sep	87	87	86	63	52
Oct	91	92	92	68	55
Nov	94	95	95	66	54
Dec	92	92	94	61	58

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)014

(Question Serial No. 1637)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Regarding the 3D projection-cum-water light show staged by the Ocean Park, what are the amount of investment as well as its operating cost (with a breakdown) and economic benefit during the staging period?
2. The Bureau continued to monitor the implementation of the pilot scheme on food trucks during the extension period throughout the year and completed a review. Please tabulate the latest operating situation of various food trucks and the number of food trucks still in operation. Has the Bureau completed the review? When will the findings be promulgated? What areas are covered in the review?
3. In 2019-20, the Government commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong to better grasp visitors' travel habits and enhance their travel experience through the use of technology. When is the consultancy study on smart tourism development expected to be completed? Will the Bureau promulgate the findings in detail? What are the areas expected to be covered? Is the estimated expenditure for the consultancy study \$3 million as announced before?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 14)

Reply:

We have announced in 2018-19 Budget that a total of \$310 million would be allocated to support the Ocean Park in developing education tourism and staging a new 3D projection-cum-water light show with local elements, each accounting for 50% of the total funding. These two items are time-limited measures to be implemented in 5 years (2018-19 to 2022-23). On the water light show, the Government would provide around \$155 million to support the construction of performance venue, programme production, advertising, and operation of the performance, etc.

As the audience of the light show overlaps with visitors of the Ocean Park, the attendance brought by the project to the Ocean Park and the revenue generated cannot be quantified separately.

The Food Truck Pilot Scheme (the Scheme) was launched in February 2017 and 15 food trucks commenced operation successively. Upon the withdrawal of 3 food trucks in December 2019, February 2020 and February 2021, there are currently 12 food trucks operating under the Scheme. According to the statements of account submitted by the food truck operators, the gross revenue of 15 food trucks (including the 3 food trucks already withdrawn from the Scheme) was about \$52 million as at end February 2021. Details are shown in the table below :

Gross revenue (up to end February 2021)	Number of food trucks
Over \$5 million	1
Over \$4.5 million to \$5 million	2
Over \$4 million to \$4.5 million	3
Over \$3.5 million to \$4 million	2
Over \$3 million to \$3.5 million	2
Over \$2.5 million to \$3 million	2
Over \$2 million to \$2.5 million	2
\$1 million or below	1

Tourism Commission will continue to maintain communication with food truck operators and collect more data on the business performance of food trucks so as to determine the way forward of the Scheme after its expiry on 2 February 2022.

As for smart tourism, we have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The estimated expenditure for the consultancy is around \$3 million. Due to the impact of the pandemic, the study is anticipated to be completed within 2021-22. After completion of the study, we will consider the recommendations and devise relevant implementation details.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)015

(Question Serial No. 1638)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated by the Financial Secretary, Mr Paul CHAN in the Budget Speech that “(a) part from the financial support of nearly \$2.6 billion that has already been provided for the tourism industry, I will further earmark a total of \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time. We will continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors.” Please provide in table form the breakdown and details of these expenditures of \$2.6 billion and \$934 million.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 16)

Reply:

In response to the complete halt of the tourism industry under the epidemic, the Government has, through the Anti-epidemic Fund (AEF), provided four rounds of financial support to the tourism industry. Coupled with the other helping measures including the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme rolled out earlier, the cumulative commitment of the Government support to the tourism industry amounts to some \$2.6 billion in total. Details are as follows:

Item and Description	Funding Commitment
(1) First round of AEF	
• Setting up the Travel Agents Support Scheme to provide each travel agent with a subsidy of \$80,000.	140
• Setting up the Licensed Guesthouses Subsidy Scheme to provide each guesthouse with a subsidy of \$50,000 or \$80,000 (depending on the number of licensed guestrooms).	150

Item and Description	Funding Commitment
(2) Second round of AEF	
<ul style="list-style-type: none"> • Setting up the Travel Agents and Practitioners Support Scheme to provide each travel agent with cash subsidy ranging from \$20,000 to \$200,000 (depending on the number of its employees); and to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a subsidy equivalent to \$5,000 monthly for 6 months. 	1,070
<ul style="list-style-type: none"> • Setting up the Hotel Sector Support Scheme to provide each eligible hotel a one-off subsidy of \$300,000 or \$400,000 (depending on the number of guestrooms under the licence). 	
<ul style="list-style-type: none"> • Setting up the Tour Service Coach Drivers (Mainly Serving Tourists) Support Scheme to provide each tour service coach driver a one-off subsidy of \$10,000. 	
<ul style="list-style-type: none"> • Waiving the monthly fixed rent and management fees of the terminal operator of the Kai Tak Cruise Terminal. 	
<ul style="list-style-type: none"> • Providing refund to cruise lines in respect of berth deposits for cancelled ship calls during suspension of immigration service. 	
(3) Third round of AEF	
<ul style="list-style-type: none"> • Setting up the Tourism Industry Support Scheme: <ul style="list-style-type: none"> ➢ to provide each travel agent with a cash subsidy directly proportional to the number of staff members they have, using a subsidy level (i.e. \$5,000) per travel agent staff member as the basis of calculation. Travel agent without any staff will also be getting a one-off subsidy of \$5,000; ➢ to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a one-off subsidy of \$15,000; and ➢ to provide each tour service coach driver a one-off subsidy of \$6,700. 	397
(4) Fourth round of AEF	
<ul style="list-style-type: none"> • Setting up the Tourism Industry Additional Support Scheme: <ul style="list-style-type: none"> ➢ to provide each travel agent with a cash subsidy; the subsidy level for travel agents with 10 staff members or less will be at a flat rate of \$100,000 each; the subsidy level for travel agents with 11 staff members or more will be directly proportional to the number of staff members they have, using a subsidy; 	564

Item and Description	Funding Commitment
<ul style="list-style-type: none"> ➤ to provide each travel agent’s staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a one-off subsidy of \$15,000; and ➤ to provide each tour service coach driver a one-off subsidy of \$6,700. 	
(5) Travel Agents Incentive Scheme	
To provide incentive payments for travel agents based on the number of inbound and outbound overnight travellers they served. The maximum number of eligible travellers for which incentive payments can be disbursed to a travel agent is 1 000, which includes inbound travellers (incentive payment of \$120 each) and outbound travellers (incentive payment of \$100 each).	About 150
(6) Green Lifestyle Local Tour Incentive Scheme	
To provide travel agents with incentive payments based on the number of green lifestyle local tour participants they serve. Each travel agent is eligible for a maximum incentive payment of \$200,000 (incentive payment of \$200 for each tour participant).	100

Remark: The disbursement of special allowance for the travel trade under the Anti-epidemic Fund is outside the scope of the Appropriation Bill or the estimates of the General Revenue Account.

In 2021-22, the Government will earmark a total \$934 million to enhance tourism resources, of which \$169 million will be allocated to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) “City in Time” - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. • “City in Time” is a tourism project, under which TC is partnering with the School of Creative Media, City University of Hong Kong, to take forward the project by using augmented reality and creative multimedia technology through mobile application to bring back to life the history of individual landmarks of Hong Kong, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central,

Initiatives	Details and Latest Progress
	Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
(2) “Design District Hong Kong” (#ddHK) - New tourism projects with creative, artistic and cultural elements	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “#ddHK” is a three-year creative tourism project jointly launched by TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation in 2018, which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
(3) “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
(4) “Enhancement of Hiking Trails - Phase II”	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail

Initiatives	Details and Latest Progress
	(Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

Apart from the above projects, the Government will also allocate \$765 million in 2021-22 to support the Hong Kong Tourism Board (HKTB) in reviving the tourism industry. HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

According to HKTB's work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> • Cheerleading and boosting domestic consumption (including "Holiday at Home") • Leveraging various promotional campaigns to maintain Hong Kong's international exposure • Large-scale promotions to attract visitors when travel gradually resumes • Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors 	248 (32%)
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> • Holistic review of Hong Kong's tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong's tourism image when travel gradually resumes • Partnering with other cities in the GBA for global promotions to build the GBA tourism brand • Creating a smart travel experience for visitors through a one-stop e-solution 	333 (44%)

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> ● Enhancing subsidy schemes and sponsoring trade's participation in trade events to expedite business recovery* ● Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually ● Organising mega events and supporting other events in town to maintain Hong Kong's international exposure 	184 (24%)
Total	765

* Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately according to prevailing conditions where necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)016

(Question Serial No. 1639)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

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

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

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 18)

Reply:

Statistics on the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED) in the past 5 years are as follows:

Offence	Breakdown of figures	2016	2017	2018	2019	2020
False trade descriptions	Number of investigations initiated	92	78	89	106	106
	Number of prosecutions	36	47	34	49	37

Offence	Breakdown of figures	2016	2017	2018	2019	2020
	Number of convicted companies / individuals	40	43	42	48*	52
	Amount of fines	\$2,000 to \$90,000	\$500 to \$120,000	\$1,000 to \$130,000	\$1,000 to \$50,000	\$1,800 to \$40,000
	Imprisonment (without suspended sentence)	2 months	6 months	-	3 months	-
	Imprisonment (with suspended sentence)	14 days (suspended for 1 year) to 8 months (suspended for 2 years)	2 months (suspended for 2 years) to 4 months (suspended for 2 years)	14 days (suspended for 1 year) to 6 months (suspended for 3 years)	2 months (suspended for 3 years) to 8 months (suspended for 2 years)	3 months (suspended for 1 year)
	Community service order	60 hours	80 hours to 200 hours	80 hours to 240 hours	50 hours to 180 hours	100 hours to 120 hours
Misleading omissions	Number of investigations initiated	12	10	5	6	1
	Number of prosecutions	6	7	10	6	6
	Number of convicted companies / individuals	8	11	7	5	5
	Amount of fines	\$2,000 to \$100,000	\$4,000 to \$30,000	\$3,000 to \$5,000	\$2,000 to \$3,000	\$2,000 to \$5,000
	Imprisonment (without suspended sentence)	2 weeks to 2 months	10 weeks	-	-	-
	Imprisonment (with suspended sentence)	3 months (suspended for 2 years)	3 weeks (suspended for 2 years)	2 months (suspended for 2 years)	-	3 months (suspended for 1 year)
	Community service order	160 hours	160 hours to 240 hours	160 hours	80 hours	150 hours to 200 hours
	Probation order	-	-	-	12 months	-

Offence	Breakdown of figures	2016	2017	2018	2019	2020
Aggressive commercial practices	Number of investigations initiated	10	2	13	21	4
	Number of prosecutions	3	2	0	26	10
	Number of convicted companies / individuals	1	4	0	6	7
	Amount of fines	-	-	-	-	-
	Imprisonment (without suspended sentence)	1 month	-	-	3 weeks to 3 months [#]	3 weeks to 4 months
	Imprisonment (with suspended sentence)	-	-	-	9 months (suspended for 2 years)	-
	Community service order	-	120 hours to 200 hours	-	90 hours to 120 hours	81 hours
Bait advertising	Number of investigations initiated	1	1	0	2	0
	Number of prosecutions	1	2	0	2	0
	Number of convicted companies / individuals	0	1	2	3	0
	Amount of fines	-	\$10,000	\$10,000	\$8,000 to \$40,000	-
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community service order	-	-	180 hours	-	-

Offence	Breakdown of figures	2016	2017	2018	2019	2020
Bait and switch	Number of investigations initiated	0	0	2	1	0
	Number of prosecutions	0	0	3	0	0
	Number of convicted companies / individuals	0	0	2	2	0
	Amount of fines	-	-	\$5,000	\$10,000	-
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community service order	-	-	120 hours	80 hours	-
Wrongly accepting payment	Number of investigations initiated	10	9	16	4	28
	Number of prosecutions	1	2	5	2	37
	Number of convicted companies / individuals	0	3	4	2	2
	Amount of fines	-	\$48,000	\$24,000 to \$40,000	\$30,000	-
	Imprisonment (without suspended sentence)	-	6 months	-	-	14 months
	Imprisonment (with suspended sentence)	-	-	14 days (suspended for 1 year)	-	16 days (suspended for 1 year)
	Community service order	-	100 hours	-	80 hours	-

Offence	Breakdown of figures	2016	2017	2018	2019	2020
Other offences under TDO ^	Number of investigations initiated	19	8	17	8	3
	Number of prosecutions	24	14	14	8	4
	Number of convicted companies / individuals	22	16	15	8	4
	Amount of fines	\$1,000 to \$16,800	\$1,000 to \$16,500	\$1,000 to \$10,500	\$1,000 to \$5,000	\$2,000 to \$10,000
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community service order	-	-	-	-	-

Note: * The number of convicted companies / individuals in 2019 decreased from 49 to 48 as one conviction was quashed on appeal.

The term of imprisonment of a defendant in 2019 was reduced from 15 months to 3 months on appeal.

^ Such as the offences under sections 4 and 12 of the TDO.

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

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

On compliance promotion, C&ED has so far held more than 280 outreach talks, seminars and meetings for various industries to help enhance practitioners' understanding of the TDO, remind them of the importance of complying with the TDO, and urge the management to take appropriate measures to avoid unscrupulous trade practices.

On education and publicity, C&ED has produced a new promotional video to reveal 4 different kinds of unfair trade practices in 4 industries (including fitness, travel, renovation and employment agency), so as to promote fair trading as well as compliance with the TDO. Meanwhile, C&ED is producing a new range of promotional posters and souvenirs in connection with the new promotional video. The related publicity programmes will be launched in due course.

Separately, C&ED is planning to produce two other promotional videos on false trade descriptions and unfair trade practices in the automotive and catering sectors. The videos promote the TDO in an easily comprehensible manner by making reference to common unfair trade practices. A poster will also be produced for promotion as a complement in due course.

In 2021-22, C&ED will continue to strengthen publicity and public education by providing frequently asked questions, publicising the common modus operandi employed by unscrupulous traders and publishing the results and details of compliance or enforcement cases on its website. To serve as a deterrent, C&ED will also publicise through media the details and sentences of cases involving unfair trade practices so as to remind unscrupulous traders of the serious consequences for violation of the TDO.

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

On the other hand, the Consumer Council (the Council) conducts a wide range of publicity and education through various channels. In particular, the "CHOICE" magazine published by the Council often includes TDO-related studies and analysis on different topics, so as to strengthen the awareness of the public and offer appropriate alerts and suggestions to consumers. The Council also responds to questions related to the TDO at its monthly press conference of the "CHOICE" magazine and routine media enquiries. In response to the needs of the under-privileged groups (such as the elderly), the Council organises community talks introducing the TDO in collaboration with social and community services organisations to help participants understand consumption issues related to them using case sharing for deeper understanding, and to remind the under-privileged groups and their families ways to safeguard their rights and seek help from law enforcement agencies when necessary. In collaboration with the Education Bureau, the Council organises the "Consumer Culture Study Award" annually to help secondary school students enhance their understanding of the TDO through consultation sessions and workshops. Since late 2020, the Council has launched a brand new "Support Programme for Persons with Special Needs" by phases, aimed at strengthening the self-protection capacity of the target groups including persons with autism spectrum disorder, mild intellectual disability and common mental disorder. The programme provides training kits and case study videos featuring the unscrupulous sales tactics deployed by fitness and beauty centres, and organises train-the-trainer talks and interactive workshops to facilitate social workers and teachers educating the target groups on the awareness and prevention of relevant trade malpractices and sales traps. In 2021-22, the Council will continue to strengthen the above work.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)017

(Question Serial No. 1641)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has launched the Convention and Exhibition Industry Subsidy Scheme under the Anti-epidemic Fund with a commitment of over \$1 billion, with a view to reinvigorating the convention and exhibition industry. Please provide details about the granting of the subsidies since the launch of the scheme by setting out the projects, the beneficiaries, the amounts of subsidies involved, and the funding balance in table form.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 20)

Reply:

The financial implications of the Convention and Exhibition Industry Subsidy Scheme (the Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

To reinvigorate the convention and exhibition industry, the Government established the Scheme under the Anti-epidemic Fund with a commitment of \$1,020 million. The Scheme has two parts. One part of it, which was launched on 3 October 2020, subsidises organisers of exhibitions and international conventions held at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo 100% of the venue rental. The other part of the Scheme, which was launched on 30 November 2020, subsidises exhibitors of exhibitions and participants of major conferences organised by the Hong Kong Trade Development Council 50% of the participation fee. In light of the epidemic situation, the Scheme has been extended to 31 December 2021. As at 28 February 2021, the Scheme subsidised 18 exhibitions, involving a total subsidy amount of about \$38.9 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)018

(Question Serial No. 1642)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, the Commerce and Economic Development Bureau will organise events and professional missions to explore emerging markets and identify business opportunities in Belt and Road related countries and regions, including those in the Mainland's overseas Economic and Trade Co-operation Zones to open up a larger market.

1. What are the details of the above project? What destinations are included in the plans? What are the resources to be involved?
2. At the policy level, what other specific measures will be provided by the Government to assist Hong Kong enterprises in opening up Belt and Road markets?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 21)

Reply:

The Commerce and Economic Development Bureau (CEDB) organised and participated in a number of business and professional missions before the pandemic to Belt and Road (B&R) related countries and regions, thereby promoting Hong Kong's unique strengths. Since the outbreak, we have been continuing with our work and organising activities online, including organising webinars jointly with Thailand, Indonesia and Malaysia respectively during June to September 2020, thereby strengthening B&R people-to-people bond and exploring new business opportunities. In 2021-22, the Government will continue with such efforts by proactively playing the role of "facilitator" and "promoter", and we plan to organise Hong Kong enterprises to visit B&R related countries and regions, including the Mainland's overseas Economic and Trade Co-operation Zones (particularly those in the Association of Southeast Asian Nations member states), after the pandemic stabilises.

Furthermore, to facilitate Hong Kong enterprises in exploring B&R markets, the CEDB will continue to enhance policy co-ordination with relevant Central Authorities, including

convening the Joint Conference with the Central Authorities under 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” to foster collaboration and follow up on its implementation; and holding a high-level meeting of the Mainland and Hong Kong Belt and Road Task Group to maintain direct communication and collaboration with relevant Central Authorities. Meanwhile, we will continue with efforts to enhance government-to-government B&R exchanges and collaboration through the Innovation and Technology Inventions Experience Sharing and Business Promotion Platform that we launched in June 2020. In addition, we will co-organise the sixth Belt and Road Summit with the Hong Kong Trade Development Council in 2021, as well as promote closer partnership and project interfacing amongst enterprises and professional services sector of Hong Kong. We will also work together with the Ministry of Commerce in encouraging Hong Kong enterprises and professional services sector to make use of the Mainland’s overseas Economic and Trade Co-operation Zones in developing business.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1665)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. What are the numbers of non-civil service contract (NCSC) staff members employed by the Director of Bureau's Office, the relevant expenditures and their scope of work in the past 3 years and in the estimates for 2021-22?
2. Are there any establishment and expenditure ceilings on the NCSC staff members employed by the Director of Bureau? If yes, what are the respective establishment and expenditure ceilings? If no, why have no such ceilings been imposed?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 57)

Reply:

In 2018-19, 2019-20 and 2020-21, the Director of Bureau's Office has employed two non-civil service contract (NCSC) staff each year ^(Note). The expenditures in the three financial years are \$1.044 million, \$1.129 million and \$1.181 million (revised estimate) respectively, and they included payment of salaries, end-of-contract gratuities, etc. In 2021-22, \$1.117 million has been reserved for these two positions. The two NCSC staff concerned are responsible for providing executive support to the Director of Bureau's Office, and assisting in social media promotion work and research studies respectively.

Under the NCSC Staff Scheme, Heads of Bureaux/Departments (B/Ds) may employ NCSC staff to meet changing operational and service needs. They include (a) needs that are time-limited or seasonal in nature, or are subject to market fluctuations; or (b) needs that require staff to work less than the conditioned hours; or (c) needs that require tapping the latest expertise in a particular area from the labour market; or (d) the mode of service delivery of the needs is under review or likely to be changed. Besides, the Civil Service Bureau (CSB) has set a ceiling for the employment of NCSC staff for each B/D in the light of the B/D's specific operational needs. A B/D is required to seek approval from CSB for

the employment of NCSC staff in excess of the prescribed ceiling. The Commerce and Economic Development Bureau will employ NCSC staff in light of operational needs in accordance with the above requirements and having regard to the budget for operational expenditure.

Note: The number of NCSC staff refers to the position as at 30 June of respective year.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)020

(Question Serial No. 3164)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. The Bureau has over the past year worked closely with the Advisory Committee on Cruise Industry, the operators of the two cruise terminals, and the Hong Kong Tourism Board to promote cruise tourism when cruise operation resumes. How was the deliberation like amid the pandemic in the past year? Were any initial recommendations and initiatives proposed? Have the parties devised any guidelines and targets on the resumption of cruise sailings? If so, what are the details?
2. In the coming year, the Bureau will retain ship calls through Asia Cruise Fund and various promotion support to cruise lines, prepare for the resumption of cruise sailings, and work on consumer demand generation campaigns when source markets are ready. What are the details of the relevant measures as well as the manpower and resources involved?
3. The utilisation of the Kai Tak Cruise Terminal, including the number of ship calls and the percentage of leased venues in the terminal building in each of the past 5 years

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 15)

Reply:

In the light of the COVID-19 epidemic situation, the Government has suspended immigration service at the two cruise terminals (i.e. Kai Tak Cruise Terminal (KTCT) and Ocean Terminal) since February 2020. The Government has been monitoring the situation and maintaining communication with the trade, and introduced various helping measures, including offering reduction of rents for tenants of KTCT, providing refund to cruise lines in respect of berth deposits for cancelled ship calls during suspension of immigration service, etc. Having regard to the latest epidemic development and the gradual resumption of domestic cruise travel in nearby regions such as Taiwan, Singapore and Japan, the Government will continue to explore the feasibility of resuming cruise travel with implementation of effective anti-epidemic and social distancing measures provided that the epidemic situation remains stable.

Regarding promotion of cruise tourism, the Hong Kong Tourism Board (HKTB) anticipates that cruise tourism will take a longer time to recover, and when the epidemic situation stabilises, HKTB will first start with local promotions on cruise trips that do not visit other ports-of-call apart from Hong Kong, namely “Staycation @ Sea”, together with promotions on the new health and safety standards adopted by the cruise sector, to restore consumer confidence in cruise tourism before gradually promoting the city’s cruise tourism in Mainland and international markets. At the same time, HKTB will increase the matching fund for the cruise sector to help the trade to develop fly-cruise and rail-cruise packages. HKTB will also continue to promote regional cooperation of cruise sectors through Asia Cruise Cooperation (ACC) and, through subsidies under Asia Cruise Fund, to encourage cruise operators to include ACC member ports into their cruise itineraries. Since the related work will be undertaken by HKTB’s existing staff establishment and expenditure, it can hardly be quantified separately.

For 2021-22, the amount budgeted for promoting cruise tourism by HKTB is around \$26 million, which is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted as necessary.

The number of ship calls and cruise passenger throughput at KTCT in the past 5 years are tabulated as follows:

Year	Number of ship calls	Cruise passenger throughput
2016	95	424 868
2017	186	784 073
2018	170	815 461
2019	175	847 071
2020*	24	102 618

* Due to the COVID-19 epidemic, immigration service at the two cruise terminals in Hong Kong (i.e. KTCT and Ocean Terminal) has been suspended since 5 February 2020.

The utilisation situation of the ancillary commercial areas of KTCT in the past 5 years is tabulated as follows:

Year (As at March)	Occupied floor area as a percentage of the ancillary commercial areas	Number of merchants occupying the commercial areas
2017	94%	6
2018	100%	7
2019	100%	7
2020	100%	7
2021*	60%	6

* The terminal operator is taking legal action against a former tenant to seek its removal of its chattels within the premises. The Tourism Commission will continue to urge the terminal operator to re-let the vacant shop as soon as practicable.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)021

(Question Serial No. 3165)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information in respect of the Hong Kong Trade Development Council (HKTDC) in the past 5 years:

1. the number of "trade promotion events" and "local fairs" organised annually;
2. the local fairs held at the Hong Kong Convention and Exhibition Centre in Wan Chai and AsiaWorld-Expo;
3. the ratio of local, Mainland and overseas exhibitors participating in local fairs;
4. the annual expenditure on organising local fairs and its percentage against the HKTDC's overall expenditure;
5. the annual income generated from organising local fairs and its percentage against the HKTDC's overall income;
6. the specific activities and work done in promoting Hong Kong as a commercial hub for the Belt and Road Initiative, as well as the resources and manpower involved, and the specific work plan for the coming year;
7. the specific plan and projects to promote Hong Kong as an investment hub for the healthcare sector this year; and
8. regarding the making of hybrid mode comprising both physical and virtual offerings as regular features in its anchor events to widen their reach to global audience in the coming year, the ratio of events in hybrid mode in 2020-21 and the estimated ratio of events in this mode to the total number of events in the coming year.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 17)

Reply:

The following table shows the figures related to trade and services promotion events and exhibitions organised by the Hong Kong Trade Development Council (TDC) from 2016-17 to 2020-21:

	2016-17	2017-18	2018-19	2019-20	2020-21
Trade and services promotion events	844	883	862	738	612
Venue of local fairs					
	2016-17	2017-18	2018-19	2019-20	2020-21
Hong Kong Convention and Exhibition Centre	32	33	33	29	0
AsiaWorld-Expo	5	4	4	3	0
Online	0	0	0	0	11
Total number of local fairs	37	37	37	32	11
Percentages of exhibitors of local fairs					
	2016-17	2017-18	2018-19	2019-20	2020-21 [#]
Local exhibitors	34%	31%	30%	30%	24%
Other exhibitors	66%	69%	70%	70%	76%
Total	100%	100%	100%	100%	100%
Exhibitions and missions*					
	2016-17	2017-18	2018-19	2019-20	2020-21
Expenditure	\$1.284 billion	\$1.286 billion	\$1.359 billion	\$1.095 billion	\$2.04 billion
As a percentage of TDC's total expenditure	47%	47%	48%	41%	13%
Income	\$1.942 billion	\$1.960 billion	\$2.002 billion	\$1.485 billion	\$0.066 billion
As a percentage of TDC's total income	70%	69%	68%	67%	5%

[#] All local fairs in 2020-21 were held online.

* Expenditure and income above include those for all exhibitions and missions, etc. Expenditure and income for local fairs cannot be quantified separately. Expenditure and income for 2020-21 are TDC's latest estimates.

TDC organised a variety of events to help Hong Kong companies tap opportunities under the Belt and Road (B&R) Initiative. Among them, since 2016, the Government and TDC co-organised the "Belt and Road Summit" every year. The fifth "Belt and Road Summit" co-organised with the Government, despite being held online due to the epidemic, attracted over 17 000 participants from about 80 countries and regions, introduced over 250 investment projects during the project pitching and sharing sessions, and arranged more than 700 one-to-one business matching meetings. Furthermore, TDC's Belt and Road

Portal has over 600 investment projects, over 300 experienced Hong Kong service providers and 110 case references. To help consolidate Hong Kong's market status and its role as the commercial hub of the B&R Initiative, the three task forces under the Belt and Road & Greater Bay Area Committee concentrate on promoting opportunities for Hong Kong arising from the development of overseas industrial parks, smart city, digital connectivity and start-ups. In June 2018, TDC set up the "Belt and Road International Forum" with a membership of over 150 organisations in over 40 countries and regions. Furthermore, TDC organised various missions and large-scale campaigns in major business centres to tap opportunities along the Belt and Road.

To cope with the new normal brought by the epidemic, TDC will regularise the use of hybrid mode comprising both physical and virtual platforms to organise various major convention and exhibition and promotion events, so as to broaden the reach to global audience. To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to TDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms. TDC will enhance its capability to organise online activities in order to provide a seamless event experience for users (e.g. enhancing instant interaction functions, using artificial intelligence to help users conduct year-round business matching). At the same time, TDC will proceed with digitalisation to enhance its overall service efficiency and quality, as well as upgrade its online service system to facilitate service users and provide personalised market analysis. TDC will also strengthen big data analysis to help forecast future business trends, and provide to small and medium enterprises (SMEs) services that are more effective, more diversified and better suit their needs.

The additional subvention also includes \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and promote Hong Kong's healthcare products and services. Besides using existing resources, TDC will also use the additional subvention to carry out the said work.

TDC will continue to cement Hong Kong's position as a global investment and business hub by seizing opportunities arising from the B&R Initiative and GBA development. To this end, TDC plans to organise various events, including co-organising the sixth "Belt and Road Summit" with the Government with an emphasis of promoting Hong Kong as the entry point to the GBA; launching a one-stop support platform called "GoGBA"; encouraging GBA enterprises to participate in major events in Hong Kong such as "Asian Financial Forum" and "Hong Kong Forum"; and organising visits to and exchange activities in Shenzhen and other GBA cities when circumstances permit.

Furthermore, TDC will stage an inaugural "Asia Summit on Global Health", bringing together business and political leaders and investors in biotechnology, life sciences, healthcare infrastructure and related fields, to explore new trends in the healthcare industry; promote the advantages of Hong Kong's healthcare products and services; foster investment and unlock market opportunities; and promote Hong Kong as the healthcare innovation and investment hub in Asia. TDC will also add dedicated zones on biotechnology and anti-epidemic innovations in the "Hong Kong International Medical and Healthcare Fair", as well as promote Hong Kong's biomedical and healthcare innovations at its local and

major international events, in order to showcase Hong Kong's strengths, foster investment, and provide a platform for local SMEs in the healthcare sector to expand businesses.

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

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3166)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, the Bureau will continue to work on the planning for new convention and exhibition (C&E) facilities.

1. The Government has decided not to develop a new convention centre on the site above the Exhibition Station of the Shatin to Central Link (SCL). Will the Government set a timetable for identifying and determining another site for the development of a new convention centre? If yes, what is the timetable?
2. The sites of the 3 government towers in Wan Chai North and the Kong Wan Fire Station will be redeveloped into C&E facilities. What are the latest timetable and details of the project? Will the project details be adjusted in light of the cancellation of the development on the site above the Exhibition Station of the SCL? What is the estimated total expenditure involved in the project?
3. The Airport Authority Hong Kong will also invest in the construction of phase two of the AsiaWorld-Expo. What are the details? When are the project details expected to be announced? What is the timetable of the project?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 22)

Reply:

To consolidate and strengthen our status as a premier international convention and exhibition (C&E) and sourcing centre, the Government will continue to take forward two plans to expand major C&E facilities, i.e. the redevelopment of the three government towers in Wan Chai North and the Kong Wan Fire Station into C&E facilities, hotel and Grade A office, as well as the construction of phase two of the AsiaWorld-Expo on the airport island. These two projects together will increase C&E space by more than 40% (66 700 sq. m). We are discussing the details of these two projects with the relevant Government

departments and the Airport Authority Hong Kong respectively, and will announce the details when appropriate.

As for the proposal to develop a new convention centre on the site above the Exhibition Station of the Shatin to Central Link, in view of the various technical difficulties involved, the uncertainties concerning the construction period and concerns about cost-effectiveness, we have decided to use the site for other purposes. Currently, we have no plans to find another site for developing a convention centre.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)023

(Question Serial No. 0481)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) continued to oversee the implementation of various measures to promote Hong Kong as a premier intellectual property (IP) trading hub in the Asia-Pacific region. Please advise this Committee of the progress of the work on promoting IP trading in the past year. Was the work affected by the epidemic? What was the expenditure involved? In 2021-22, how much resources will be allocated for promoting the development of IP trading and what is the expenditure involved? What are the work plan and timetable for the promotion efforts?

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

Reply:

The Government has been actively working with stakeholders on the implementation of various measures to promote intellectual property (IP) commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the Asia-Pacific region. Due to the social distancing measures implemented under the COVID-19 pandemic, some of the activities had to be held online. The latest progress of the relevant promotional measures is as follows:

- the Government has been co-organising the "Business of IP Asia Forum" with the Hong Kong Trade Development Council and the Hong Kong Design Centre every year since 2013. The 2020 Forum was held online on 3 and 4 December 2020, and attracted over 10 000 participants of different sectors from over 40 countries and regions joining the Forum online. The 2021 Forum will be held on 2-3 December 2021;

- the Intellectual Property Department (IPD) has launched the IP Manager Scheme for small and medium enterprises (SMEs) since May 2015 with a view to enhancing their IP manpower capacity and boosting their competitiveness through IP management and commercialisation. In April 2016, IPD also launched the IP Manager Practical Workshop for those who have attended the aforesaid training programmes. To meet the development needs of the enterprises, IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops. Up to February 2021, more than 2 600 and 490 participants from over 1 800 SMEs had taken part in these training courses and practical workshops respectively. IPD will continue to implement the above Scheme taking into account the pandemic development;
- IPD has been providing free IP consultation services for SMEs. From the pilot launch of the initiative in December 2014 to February 2021, over 480 SMEs had participated in the initiative. IPD will continue to promote the relevant service;
- IPD will continue to assist the Department of Justice to promote the use of arbitration and mediation to resolve IP disputes; and
- in December 2020, IPD released publicity videos featuring success stories on commercialisation of trade marks and patents by Hong Kong enterprises in the Greater Bay Area, with a view to promoting IP trading and awareness of the IP business opportunities in the area. IPD will continue to produce more videos of this kind.

Some of the above measures are implemented as part of IPD's regular work and will continue to be carried out with existing resources. As regards individual new measures launched in recent years (such as the provision of support services to SMEs, manpower capacity training, and publicity work), IPD's recurrent provision has been increased by \$5.4 million since 2018-19 for the Department to plan and promote IP trading in an on-going basis.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0482)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention in 2021-22 under this Programme of the Commerce, Industry and Tourism Branch include continuing to leverage digital platforms, step up global promotion of Hong Kong's business advantages, strengthen outreach to investors and attract multinational companies to set up regional or global operations in Hong Kong so as to capitalise on the opportunities arising from the Greater Bay Area Development and Belt and Road Initiative, and dynamically adjust investment promotion strategies in response to the COVID-19 situation. Please advise this Committee of the expenditure involved in the relevant work in 2020-21 and the effectiveness of the work. What are the new plans or specific measures, estimated expenditure to be involved, and work objectives or anticipated results in 2021-22?

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

Reply:

Invest Hong Kong ("InvestHK") conducts marketing campaigns, seminars and investment promotion visits to attract and assist multinational companies to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") development and the Belt and Road Initiative. In 2020, InvestHK completed 317 projects. The revised estimated expenditure for InvestHK on investment promotion work in 2020-21 is \$52 million.

The Mainland, a key engine of global economic growth, is a priority market of InvestHK in attracting investment. InvestHK has been partnering with the Ministry of Commerce of the Central People's Government, relevant local authorities such as provincial or municipal bureaux of commerce, as well as local industrial and commercial organisations to conduct investment promotion seminars in the Mainland, with a view to introducing to the business

sector the competitive edges of Hong Kong. In 2020, InvestHK organised investment promotion activities in Beijing, Chengdu, Guangzhou, Jinan, Nanchang, Ningbo, Tai'an, Wenzhou, Wuhan, Xiamen and Xi'an to promote Hong Kong as an ideal platform for Mainland companies to invest in overseas markets. We also partnered with the Hong Kong Trade Development Council and other organisations to participate in major trade fairs and conferences held in the Mainland.

To better seize the business opportunities arising from the Greater Bay Area development, in 2021-22, InvestHK will establish the Pan-Greater Bay Area Inward Investment Liaison Group to work with counterparts in other cities of the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy. InvestHK is also planning to organise investment promotion visits and activities in major Mainland cities, and will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to “go global”.

Meanwhile, with the establishment of the Investment Promotion Units in Jakarta in 2018 and in Bangkok in late 2019, InvestHK will strengthen its investment promotion efforts in the Association of Southeast Asian Nations market. InvestHK also maintains liaison with consulates and chambers of commerce to connect with Mainland and overseas companies that have set up in Hong Kong to facilitate their business expansion.

In response to the challenges brought by the COVID-19 pandemic, InvestHK has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out widely to investors in both traditional and emerging markets, and attract and assist companies to set up their businesses in Hong Kong.

The total estimated expenditure for InvestHK on investment promotion work in 2021-22 is \$52 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)025

(Question Serial No. 0483)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention under Programme (2) of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau include continuing to closely monitor the progress of the Phase One Trade Agreement between China and the US and related issues as well as trade actions of the US Government against Hong Kong, and assessing their impact on Hong Kong's economy; maintaining close communication with the trade and considering introducing further measures to provide timely support to the trade as necessary. Please advise this Committee of what has been done in this respect during the past year and its effectiveness. What are the specific work plans for 2021-22? The Government said that it would consider introducing further measures to support the trade. What are the details and the expenditure involved?

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

Reply:

According to the new requirement of the United States (US) Customs and Border Protection (CBP) implemented since November 2020, all imported goods produced in Hong Kong may no longer be marked to indicate "Hong Kong" as their origin, but must be marked to indicate "China". The US' unilateral and irresponsible attempt to, through the new requirement, weaken Hong Kong's status as a separate customs territory, which is conferred by our motherland through the Basic Law under "One Country, Two Systems", is barbaric. Such a move also confuses the market and undermines the rules-based multilateral trading system, and is inconsistent with a number of rules of the World Trade Organization (WTO) and damages Hong Kong's interests as a WTO member.

The Government formally took issue with the US Government as early as in September 2020. The Secretary for Commerce and Economic Development wrote to the US Trade Representative (USTR) expressing the Government's strong objection and the request that the requirement be immediately withdrawn. The Hong Kong Economic and Trade Office

(ETO) in Washington, DC also followed up actively on the matter with the US side, meeting respectively with CBP and the Office of the USTR, with a view to resolving the matter on bilateral level. Moreover, the ETO in Geneva clearly expressed Hong Kong's position that it strongly objected to the new US requirement at the WTO General Council meeting and other WTO meetings. The ETO in Geneva also met with missions of other WTO Members to brief them on Hong Kong's grounds and position, and to rally for their support of our actions against the US under the WTO mechanism to safeguard WTO rules.

However, the US did not make any substantive or satisfactory response to our request and did not withdraw the requirement. In view of the US' disappointing response, the Government formally launched procedures in accordance with the WTO Dispute Settlement Mechanism on 30 October 2020 to take action against the US on the WTO level. At Hong Kong's request, the Dispute Settlement Body established a panel to consider the dispute at its meeting on 22 February 2021.

In 2021-22, the Government will continue to actively participate in the meetings of the panel according to WTO Dispute Settlement Mechanism in order to fully safeguard Hong Kong's legitimate interests.

The Government has been maintaining close communication with the trade, in particular local chambers of commerce, in respect of the US' new requirement and China-US trade conflict. The Government has met with local chambers many times, and has maintained communication with the business community through various channels to review the situation and formulate response jointly. We will continue our work in this regard.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)026

(Question Serial No. 0484)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Matters Requiring Special Attention of this Programme that the Commerce, Industry and Tourism Branch will continue to oversee discussions with the Mainland on further market liberalisation and facilitation of trade and investment through the Mainland and Hong Kong Closer Economic Partnership Arrangement, and on ensuring smooth implementation of the measures announced. What were the results achieved and details of the work in this respect in the past financial year? Was the work affected by the epidemic? What was the actual expenditure incurred? What are the new work plans for the new financial year of 2021-22? What is the estimated expenditure? Will new work plans be formulated in response to the COVID-19 epidemic over the past year and will there be an increase in expenditure to strengthen the work or to recover the delay? If yes, what are the details? If no, what are the reasons?

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

Reply:

The Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) by seeking various preferential and facilitation measures for the trade. Since its signing in 2003, CEPA has been continuously enriched and updated in contents, and has now become a comprehensive and modern free trade agreement underpinned by four agreements, namely the Agreement on Trade in Services, the Agreement on Trade in Goods, the Investment Agreement, and the Agreement on Economic and Technical Cooperation, covering all facets of Hong Kong's economic and trade relationship with the Mainland and promoting further liberalisation and facilitation of trade and investment between the two places. We have been working closely with the Mainland authorities at central, provincial and municipal levels, and have made use of the established mechanisms with the Ministry

of Commerce to actively facilitate the use of CEPA liberalisation measures in the Mainland by Hong Kong enterprises.

The amendment agreement to the CEPA Agreement on Trade in Services has been smoothly implemented since 1 June 2020. The amendment agreement has introduced new liberalisation measures in a number of important services sectors such as financial services, legal services, construction and related engineering services, testing and certification, television, motion pictures, tourism services, etc., making it easier for Hong Kong service suppliers and professionals to set up enterprises and develop business in the Mainland. We have been proactively liaising with chambers of commerce, professional bodies, industry organisations, etc. to introduce to the trade details of the new liberalisation measures under the amendment agreement through various channels, with a view to strengthening the trade's understanding of the new liberalisation measures and related implementation arrangements. We will continue to seek to introduce more liberalisation measures that will benefit Hong Kong businesses under the CEPA framework, and create more favourable conditions for Hong Kong businesses to access the Mainland market.

The Trade and Industry Department (TID) provides free business information and consultation services. It has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation and updates of relevant regulations and implementation of liberalisation measures on its website for the trade's reference in a timely manner. In 2020-21, TID issued in total about 550 circulars relating to the Mainland's latest trade policies, encompassing the latest developments in respect of regulations relating to the implementation of the Foreign Investment Law, support measures for small and medium enterprises, measures relating to tax policies, labour and social security, etc.

The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA, and TID for coordinating bilateral discussions on new measures under CEPA proposed by relevant bureaux and departments as well as on implementation of liberalisation measures; while individual bureaux and departments also take the lead and deal with new measures and specific implementation issues in their relevant service sectors. The expenditure of the above work has been subsumed respectively under the overall estimated expenditure of the bureaux/departments concerned, and cannot be quantified separately. The above-mentioned work will continue to be covered by the existing manpower of relevant bureaux or departments. There is no need to increase the concerned expenditure having regard to the COVID-19 epidemic for the time being.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0485)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Special Attention in 2021-22, the Commerce, Industry and Tourism Branch will continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation. What work has been done in this area in 2020-21? What opportunities has the Government identified for Hong Kong? What was the expenditure involved? How much public funds will be spent on work in this area in 2021-22? What are the specific work plans and anticipated results? Will new work directions be set in view of the US-China trade relations, external factors and the recent situation of the COVID-19 pandemic?

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

Reply:

Hong Kong has been a staunch supporter of trade and investment liberalisation. Making good use of its unique status as a separate customs territory under "One Country, Two Systems", Hong Kong actively seeks to forge Free Trade Agreements (FTAs) and Investment Agreements (IAs) with economies in the world to expand Hong Kong's economic and trade network, with a view to attaining preferential access to international markets for Hong Kong's goods, services and investments, and assisting Hong Kong enterprises in market diversification and facilitating Hong Kong's participation in regional economic integration. So far, Hong Kong has signed eight FTAs with 20 economies and 22 IAs with 31 overseas economies.

15 economies including Mainland China, the ten member states of the Association of Southeast Asian Nations (ASEAN), Australia, Japan, Korea, and New Zealand signed the Regional Comprehensive Economic Partnership (RCEP) in November last year. It is the largest FTA in the world, covering about 30% of the world's population and accounting for one-third of the global GDP. In 2020, the total trade between Hong Kong and the 15 RCEP participating economies amounted to US\$772 billion, accounting for 73% of Hong Kong's total trade.

The successful signing and implementation of RCEP is an important milestone for regional economic integration and will facilitate free and open trade and increase investment in the region, providing impetus for regional cooperation. Joining RCEP will not only facilitate Hong Kong's further integration into the regional value chain and strengthen the economic, trade, and investment ties between Hong Kong and RCEP participating economies in the region and hence driving regional economic growth, but will also enable Hong Kong's goods and enterprises to benefit under the relevant measures in RCEP such as tariff reduction, preferential market access, removal of trade barriers and simplified customs procedures, etc. It will lower the costs of trading and bring about new business opportunities for Hong Kong's goods and enterprises in expanding their markets in the region, thereby providing a momentous drive to global economic recovery in the post-pandemic era.

As highlighted in the Chief Executive's Policy Address in November last year, Hong Kong, as a major financial and trade centre and a logistics hub of the region, coupled with our FTAs signed with 13 of the RCEP participating economies, i.e. the Mainland and Hong Kong Closer Economic Partnership Arrangement signed with Mainland China, and the respective FTAs signed with the ten member states of ASEAN, Australia and New Zealand, is well placed to join RCEP. The HKSAR Government has indicated, as early as in 2018, to individual RCEP participating economies at various levels and on various occasions our keen interest in joining RCEP. In November 2019, when the text-based negotiations were concluded, the Secretary for Commerce and Economic Development (SCED) wrote to individual RCEP participating economies reiterating Hong Kong's interest to join RCEP, and received positive responses that Hong Kong's accession to RCEP could be facilitated in accordance with the relevant provisions set out in RCEP after its entry into force. SCED wrote again to RCEP participating economies after RCEP was signed end of last year to reiterate Hong Kong's interests in joining RCEP. The HKSAR Government is actively engaging individual RCEP participating economies to expedite commencement of discussions on Hong Kong's accession in order to enable Hong Kong's accession to RCEP as soon as possible after its entry into force.

On bilateral fronts, Hong Kong and Thailand launched exploratory discussion last year on negotiations on Hong Kong-Thailand FTA with a view to formulating a work plan for the negotiations within this year. We are also working with Chile to expand and enhance the specific market access commitments on trade in services under the Hong Kong-Chile FTA.

On IAs, respective negotiations with Bahrain and Myanmar have been concluded and the signing of the IAs will be arranged upon finalisation of the texts. We will also continue with the respective negotiations with Russia and Turkey.

The HKSAR Government will continue to expand Hong Kong's economic, trade, and investment network and assist Hong Kong businesses in expanding externally to further Hong Kong's long-term economic development. As the work mentioned above is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)028

(Question Serial No. 0486)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2021-22 that the Commerce, Industry and Tourism Branch will “continue to collaborate with the Mainland authorities and HKTDC to help Hong Kong enterprises promote their products and services to the Mainland market.” What work did the Government do in this area in the past year? How effective was the work? What was the expenditure involved? In 2021-22, what new work plans does the Government have to promote Hong Kong’s products and services to the Mainland market? How can promotion be strengthened after the pandemic? What will be the expenditure involved?

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

Reply:

Commerce and Economic Development Bureau (CEDB) and Hong Kong Trade Development Council (HKTDC) have all along been helping Hong Kong enterprises enter the Mainland market. During 2020-21, HKTDC, with a multifaceted approach, strived to help Hong Kong enterprises promote Hong Kong’s products and services. For example, HKTDC set up Hong Kong Pavilions at large-scale fairs in major Mainland cities to increase exposure of Hong Kong enterprises in the Mainland market, and helped Hong Kong small and medium enterprises (SMEs) promote local products through online and offline avenues. HKTDC also organised various activities to promote the opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), including exploring GBA-related opportunities at the fifth “Belt and Road Summit”, introducing dedicated session specifically on the GBA at the “Asian Financial Forum”, and supporting SMEs enter the GBA market by means of digital platforms. We also co-ordinated through HKTDC the participation of Hong Kong enterprises in the third China International Import Expo (CIIE) held in Shanghai from 5 to 10 November 2020. There were a total of about 240 Hong Kong enterprises participating.

In December 2020, CEDB collaborated with the Ministry of Commerce, the Guangdong Department of Commerce and HKTDC in organising a seminar during the China Processing Trade Products Fair in Dongguan to brief Hong Kong enterprises intending to pursue domestic sales about the Mainland's economic and trade policies and facilitation measures. Business matching activities were also arranged. The seminar was well received by the trade and attracted about 1 200 participants through both online and offline modes.

To further assist Hong Kong companies in operating in the business environment affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to HKTDC from 2021-22 to 2023-24, including \$74 million in 2021-22 to fund HKTDC for promoting Hong Kong's strengths in the development of the GBA and promote Hong Kong's healthcare products and services.

HKTDC will use the additional subvention to actively promote Hong Kong's advantages in the GBA development. HKTDC will launch a one-stop support platform entitled "GoGBA" in collaboration with the Guangdong Province and related chambers of commerce to provide information and practical tools, to complement other support and consultation services, seminars and trainings, as well as field trips, in order to help companies explore opportunities and gain practical experience for further expansion into other Mainland cities. HKTDC will also set up a "HKTDC GBA Centre" in Shenzhen, and organise workshops, focus groups and other networking activities to help Hong Kong SMEs grasp opportunities in the GBA. Furthermore, HKTDC will organise large-scale events in the GBA to promote Hong Kong's products, underlining Hong Kong's capabilities in design and creativity.

To assist Hong Kong companies in expanding into the domestic Mainland market, besides the physical and online outlets of its "Design Gallery" on the Mainland, HKTDC has also launched a one-stop "ConsignEasy" service to help companies tackle logistics, warehousing, taxation and other matters related to domestic sales. To strengthen promotion, HKTDC will organise online and offline marketing campaigns, as well as organise participation of Hong Kong companies in major Mainland exhibitions to promote Hong Kong brands and products.

We will continue to participate actively in the fourth CIIE, to be held in Shanghai in November 2021, to showcase and promote Hong Kong's quality products and professional services.

The Government will also provide financial support through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to assist Hong Kong enterprises in developing domestic market. In 2020, there were 629 applications and a total funding amount of around \$423 million approved under the BUD Fund for implementing Mainland projects, accounting for 70% of the total applications and funding amount approved in the same year. The Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, and increase the cumulative funding ceiling per enterprise from \$4 million to \$6 million, so as to provide more funding support for enterprises to develop domestic market.

The estimated expenditure for CEDB's co-ordination of HKSAR's participation in CIIE in 2021-22 is about \$13.1 million. Other work has been subsumed under the overall estimated expenditure of CEDB, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)029

(Question Serial No. 0487)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention in 2021-22 under this Programme of the Commerce, Industry and Tourism Branch include continuing to oversee efforts to promote awareness of and respect for intellectual property (IP) rights in the community and the business sector. Please inform this Committee whether the work in this respect was affected by the pandemic during the past year? How effective was the work? What was the expenditure involved? In the coming year, how many resources will the Government allocate to promote IP rights, particularly among small and medium enterprises? What are the specific work plans and the estimated expenditure?

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

Reply:

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

IPD attaches great importance to the promotion and education work to enhance the awareness of and respect for IP rights. IPD has been implementing the "No Fakes Pledge" Scheme, which encourages retail merchants to pledge not to sell counterfeit and pirated products, and the "I Pledge" Campaign, which encourages consumers not to buy or use pirated and counterfeit goods; collaborating with various organisations in conducting talks, competitions and large-scale promotional events; and supporting a diversified range of publicity and education activities. IPD also produces publicity videos from time to time, and launches activities targeting at schools, such as interactive drama programmes, visits to primary and secondary schools as well as seminars in tertiary institutions, etc., to put across the messages of respecting creativity, protecting IP rights and stopping online IP infringement. Due to the social distancing measures implemented under the COVID-19

pandemic, some events had to be held online and physical school-based activities were inevitably reduced. In 2021-22, IPD will continue to implement the above measures which include:

- the Government has been co-organising the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre every year since 2013. The 2020 Forum was held online on 3 and 4 December 2020, and attracted over 10 000 participants of different sectors from over 40 countries and regions joining the Forum online.
- producing publicity videos for broadcast through different channels;
- producing leaflets for distribution at seminars, exhibitions and schools and for uploading onto IPD's website;
- mobilising IP Ambassadors who are law students of the three local universities to assist the University of Hong Kong in producing the "Copyright Classroom" short film series; and
- producing and placing supplements targeted at students in local newspapers.

Apart from the general public, the business sector (including small and medium enterprises (SMEs), business associations, IP intermediaries, etc.) has always been a main focus of IPD's promotion and education efforts. In 2021-22, IPD will continue to implement a series of initiatives, and key items include:

- promoting the new patent system (mainly involves the "Original Grant Patent" system) which was launched in December 2019, as well as IP trading and support services, through different channels including websites, exhibitions, seminars, trade magazines and business associations;
- collaborating with IP authorities in the Mainland to promote IP protection, management and trading to the business sector regarding their businesses in the Mainland, for example, co-organising activities with the IP authorities of the Guangdong Province such as online seminars for SMEs and disseminating latest information on the IP regimes of Guangdong, Hong Kong and Macao;
- implementing the "IP Manager Scheme PLUS" training programmes, providing the free "IP Consultation Service Scheme", and sponsoring training courses and workshops on IP-related subjects;
- co-organising the "Business of IP Asia Forum" with the Hong Kong Trade Development Council and the Hong Kong Design Centre; and
- producing and broadcasting publicity videos on how Hong Kong enterprises could leverage on the unique competitive advantages of different cities in the Greater Bay Area to commercialise their IPs and enter into the global market.

IPD has all along been keeping in touch with the industry and stakeholders, conducting regular surveys on public awareness on IP protection, and collecting feedback from participants of the relevant promotion and education activities, in assessing the effectiveness

of the activities and drawing up appropriate promotion strategies and programme plans. The feedback from the industry and stakeholders is generally positive.

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

Promotion of IP rights to the business sector (including SMEs) is part and parcel of the overall publicity and education plan of IPD and C&ED. It is therefore difficult to quantify the resources required for such efforts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)030

(Question Serial No. 1007)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention in 2021-22 under this Programme of the Commerce, Industry and Tourism Branch include continuing to implement the Convention and Exhibition Industry Subsidy Scheme under the Anti-epidemic Fund. Please advise this Committee of the progress of the relevant work and the expenditure involved in the past year. What are the estimated expenditure and expected results for such work in 2021-22?

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

Reply:

The financial implications of the Convention and Exhibition Industry Subsidy Scheme (the Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

To reinvigorate the convention and exhibition (C&E) industry, the Government established the Scheme under the Anti-epidemic Fund with a commitment of \$1,020 million. The Scheme has two parts. One part of it, which was launched on 3 October 2020, subsidises organisers of exhibitions and international conventions held at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo 100% of the venue rental. The other part of the Scheme, which was launched on 30 November 2020, subsidises exhibitors of exhibitions and participants of major conferences organised by the Hong Kong Trade Development Council 50% of the participation fee. In light of the epidemic situation, the Scheme has been extended to 31 December 2021. As at 28 February 2021, the Scheme subsidised 18 exhibitions, involving a total subsidy amount of about \$38.9 million.

We hope that the launch of the Scheme will attract major C&E events to be held in Hong Kong when the epidemic situation has stabilised, so as to help small and medium enterprises connect with global buyers and suppliers, as well as to benefit the industry and all related personnel.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)031

(Question Serial No. 1008)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has mentioned in paragraph 52 of the Budget Speech that once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the Greater Bay Area from various perspectives such as finance, I&T, culture and creativity and tourism, as well as our unique advantages under “One Country, Two Systems”, so as to attract enterprises, investors and talent to Hong Kong. InvestHK and our overseas offices will step up their efforts in this area. Please advise this Committee how the Government will step up its efforts in such area once the pandemic subsides. What are the specific plans, timetables and expenditures involved?

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

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the “new normal”, the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong’s developments, and strengthen the promotion on the successful implementation of “One Country, Two Systems” and Hong Kong’s advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was

affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTb) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTb will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTb will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

In addition, in response to the challenges brought by the pandemic, Invest Hong Kong (InvestHK) has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out to investors in both traditional and emerging markets, and attract and assist companies to set up their businesses in Hong Kong. InvestHK will continue to strengthen its online and targeted promotional activities with a view to promoting priority areas (e.g. the Guangdong-Hong Kong-Macao Greater Bay Area development, innovation and technology and Family Office etc.). In 2021-22, InvestHK will continue to step up its overseas public relations and publicity efforts by engaging the international media, producing online, social media and digital contents, and showcasing successful case studies, in order to promote Hong Kong's business advantages year-round. InvestHK will also organise and support various promotional events in hybrid and virtual formats to promote the priority areas. Its flagship events, StartmeupHK Festival and Hong Kong Fintech Week, will be held in May and November 2021 respectively.

When the pandemic stabilises, the ETOs, ISD, InvestHK, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong.

As the above work is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the ETOs, as well as InvestHK, the expenditure including staff costs and general administration fees has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)032

(Question Serial No. 1009)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this programme that the Government has enhanced the 80% Guarantee Product and the 90% Guarantee Product under the SME Financing Guarantee Scheme (SFGS), including increasing the maximum loan amount per enterprise, providing a one-year interest subsidy for guaranteed loans and extending the one-year principal moratorium by six months; and introduced the new Special 100% Guarantee Product under SFGS to provide low interest loans that are 100 per cent guaranteed by the Government to help ease the cash flow problem of enterprises hard hit by the COVID-19 pandemic. Please advise this Committee of the number of applications under the schemes in the previous year (i.e. 2020-21) and the amounts involved. Which sectors were the main beneficiaries? Has the number of applications been on the rise or decreasing? What is the expected situation in 2021-22? Please tabulate the information. Meanwhile, will the Government review and enhance the mitigation measures taking into account the global economic trend, the trade relations between China and the United States as well as the latest development of the COVID-19 pandemic?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 14)

Reply:

From January 2020 to end February 2021, the application figures of guarantee products under the SME Financing Guarantee Scheme (SFGS) are as follows:

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Number of Applications Received	2 530	3 147	29 394
Number of Applications Approved	2 357	3 017	28 479
<u>The major beneficiary sectors</u>			
• Trading, Wholesale and Retail	1 238	1 445	10 486
• Engineering and Construction	250	263	2 268
• Manufacturing	249	209	2 005
• Others	620	1 100	13 720
Total Loan Amount of Approved Cases (\$)	11.448 billion	5.609 billion	45.329 billion
<u>The major beneficiary sectors</u>			
• Trading, Wholesale and Retail	6.208 billion	2.672 billion	14.902 billion
• Engineering and Construction	1.235 billion	0.634 billion	4.670 billion
• Manufacturing	1.418 billion	0.407 billion	3.317 billion
• Others	2.587 billion	1.896 billion	22.440 billion

The SFGS currently provides three products guaranteed by the Government, namely the 80% Guarantee Product (launched in May 2012), 90% Guarantee Product (launched in December 2019) and Special 100% Guarantee Product (launched in April 2020). In 2020, the SFGS received 31 123 applications in total, representing an increase of 942% from 2019. The loan amount involved was \$57.04 billion in total, representing an increase of 275%.

As the epidemic has been lingering on for over one year, to continue to relieve the cash flow pressure of small and medium enterprises (SMEs), the Financial Secretary announced in the 2021-22 Budget the extension of the application period of the Special 100% Guarantee Product to 31 December 2021; and further increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months; with the ceiling increasing from \$5 million to \$6 million. In addition, having considered the repayment pressure faced by SMEs, the maximum repayment period would

be extended from five years to eight years; while the maximum duration of principal moratorium would be extended from 12 months to 18 months, thereby relieving the burden on SMEs.

The number of applications for the SFGS is subject to the economic situation. We do not make estimation for the number of applications for 2021-22, but will closely monitor the operation of SMEs, and review the SFGS as appropriate.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1010)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2021-22 under this Programme that the Commerce, Industry and Tourism Branch will continue its efforts in fostering co-operation with Taiwan on the trade, investment and tourism fronts. Please advise this Committee of the effectiveness of these efforts over the past year and the expenditure involved. What specific measures will be adopted in the new financial year, and what are the estimated expenditure and expected achievements?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 15)

Reply:

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

- On trade promotion, Hong Kong Trade Development Council (HKTDC) has been actively promoting commerce and trade co-operation and exchanges between Hong Kong and Taiwan, and encouraging Taiwan enterprises to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to tap overseas and Mainland markets. The Taipei Office of HKTDC frequently organises various promotional activities to provide a networking and exchange platform for enterprises of the two economies, thereby creating opportunities for business co-operation. In 2020-21, HKTDC organised about 50 activities in Hong Kong and Taiwan to promote the economic and trade relations between the two economies, including coordinating Taiwan enterprises to participate in various seminars and online exhibitions held in Hong Kong. HKTDC's relevant expenditure in 2020-21 is around \$4.9 million.

In 2021-22, HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as physical and online exhibitions, seminars, roadshows and business matching activities, etc., with emphasis on

promoting sectors where Hong Kong enjoys advantages, such as logistics, e-commerce and creative industries, etc. The estimated budget of the above work is around \$5.3 million.

- On investment promotion, Invest Hong Kong (InvestHK) has been promoting Hong Kong's business advantages in Taiwan. Through the investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan, InvestHK has been reaching out to a wide spectrum of Taiwan companies to encourage them to leverage on the business advantages of Hong Kong to expand their regional operations. In 2020-21, InvestHK's expenditure on investment promotion work in Taiwan is around \$0.3 million (excluding staff costs or other general expenses funded under Head 144).

In 2021-22, InvestHK will continue to promote the above-mentioned work so as to attract more companies from Taiwan to set up or expand their business in Hong Kong. The estimated budget of InvestHK for investment promotion work in the Taiwan market in 2021-22 is around \$0.5 million (excluding staff costs or other general expenses funded under Head 144).

- On tourism, due to the impact of the COVID-19 pandemic on the tourism industry worldwide, visitor arrivals from Taiwan in 2020 was around 105 000. The revised estimate of the Hong Kong Tourism Board (HKTB) for promotional programmes in the Taiwan market in 2020-21 is around \$2.3 million. In 2021-22, the HKTB will formulate promotions in individual source markets based on factors such as the pandemic situation, the reopening schedule of different source markets (including the Taiwan market), and the resumption of flights, etc.

On the other hand, the HKTB will launch promotion in 20 major source markets worldwide (including the Taiwan market) in due course, with key strategies as follows:

1. Before the resumption of travel, the HKTB will continue to promote Hong Kong to global consumers to maintain Hong Kong's international exposure. For example, organising publicity campaigns and social media promotions alongside festivals and events of Hong Kong, inviting media and influencers from source markets to attend online events to have a taste of Hong Kong's diverse travel experiences. The HKTB will also keep updating source markets with the latest information on the anti-epidemic efforts of Hong Kong in order to establish a safe and healthy tourism image for Hong Kong.
2. Once travel between individual source markets and Hong Kong has been resumed, the HKTB will roll out "Open House Hong Kong", a large-scale promotional platform, to drive travellers' desire to return to Hong Kong. To stand out from the fierce competition for visitors' attention and interest, the HKTB will work with different trade partners to entice visitors by providing offers and exclusive experiences tailored to the interests and preferences of different markets, and offering promotional packages to regain inbound visitors.
3. In the long term, the HKTB will launch a new brand campaign, rolling out a large-scale promotion of Hong Kong via multiple channels including publicity campaigns, digital platforms, and cooperation with major media outlets and

influencers in key source markets to reinvent Hong Kong's image as a travel destination.

In 2021-22, the total recurrent funding for marketing by the HKTB's worldwide offices amounts to \$159 million, covering related expenditure in 20 source markets including the Taiwan market. The budget is based on an estimate of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the pandemic situation and the progress of resumption of different source markets, and will be adjusted as needed.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)034

(Question Serial No. 1012)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (TDC) has set up more than 50 offices worldwide, 13 of which are in the Mainland. Will TDC set up new overseas offices in 2021-22, particularly in emerging markets to facilitate local small and medium enterprises to explore business opportunities and expand their operations after the epidemic? If yes, what are the number of offices, their respective locations and the expenditure to be involved? Which sectors will be the focus of publicity efforts? What are the specific work plans or major promotion projects? Please list them out in detail.

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

Reply:

Currently, the Hong Kong Trade Development Council (TDC) has 50 offices worldwide, a number of which are located in new markets. Among them, the 3 consultant offices in Saudi Arabia, Kazakhstan and Kenya were set up in 2018-19. In 2021-22, TDC has no plan to set up new offices. TDC will continue to closely monitor market development and expand its global office network according to the expansion needs of Hong Kong companies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)035

(Question Serial No. 1013)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the Hong Kong Trade Development Council (HKTDC) will step up efforts and support in 2021-22 to help Hong Kong's small and medium enterprises (SMEs) to ride out the pandemic challenges to meet the main objective of supporting the economic recovery during and after the pandemic. Please inform this Committee of the plans and measures put forward by the HKTDC in the past year to help SMEs to fight against the pandemic and the expenditure involved as well as the measures to be introduced to assist SMEs, in particular for export industry, in 2021-22 and the expenditure to be involved.

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

Reply:

The Hong Kong Trade Development Council (TDC) has all along been helping small and medium enterprises (SMEs) to diversify markets and to grasp opportunities through its global network, as well as physical and digital platforms. In 2020-21, TDC helped SMEs create opportunities and explore various potential markets through different measures, such as providing online and offline marketing channels for SMEs to promote local products to different markets, as well as providing local SMEs with digital marketing and e-commerce solutions. TDC also helped SMEs handle the challenges brought by the COVID-19 outbreak to local economy through different activities, such as facilitating SMEs to conduct sourcing through virtual expos like "Summer Sourcing Week | GO ONLINE" and "Autumn Sourcing Week | ONLINE", promoting Hong Kong brands through online activities such as "CENTRESTAGE virtual fashion show", as well as providing consultation and organising online seminars for SMEs through video conference.

In 2021-22, to support economic recovery during and after the epidemic, TDC will strengthen its support for SMEs to ride out the epidemic challenges. It will provide assistance to SMEs in four major areas, including (a) fully utilising the solid advantages of Hong Kong as an international financial and business centre to consolidate Hong Kong's

position as a global commercial hub; (b) with the national dual circulation policy, the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the full implementation of the Hong Kong-Association of Southeast Asian Nations (ASEAN) Free Trade Agreement, launching a series of events to help Hong Kong companies including SMEs seize the enormous opportunities in the Mainland and ASEAN markets, etc., as well as fostering the “Hong Kong-Mainland-ASEAN” tripartite partnership; (c) actively equipping SMEs by, amongst others, making hybrid mode of physical and virtual offerings as regular features in its anchor events to broaden their reach to global audience; and (d) creating opportunities for start-ups.

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to TDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms to enhance its capability to organise online events and to proceed with digitalisation; and \$74 million in 2021-22 to subsidise TDC to promote Hong Kong’s strengths in the development of the GBA and promote Hong Kong’s healthcare products and services. Besides using existing resources, TDC will also use the additional subvention to carry out the said work.

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

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1014)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, one of the tasks of the Hong Kong Trade Development Council (HKTDC) is to promote 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. What were the expenditure and outcomes of the related work in the last financial year? In 2020-21, what are the specific plans? What are the details of expenditure, related staff establishment and expected outcomes of the work?

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

Reply:

In 2020-21, the Hong Kong Trade Development Council (TDC) achieved satisfactory results in the promotion of the Belt and Road Initiative. The fifth "Belt and Road Summit" co-organised with the Government, despite being held online due to the epidemic, attracted over 17 000 participants from about 80 countries and regions, introduced over 250 investment projects during the project pitching and sharing sessions, and arranged more than 700 one-to-one business matching meetings. Furthermore, TDC's Belt and Road Portal has over 600 investment projects, over 300 experienced Hong Kong service providers and 110 case references.

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to TDC from 2021-22 to 2023-24, including \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and promote Hong Kong's healthcare products and services. Besides using existing resources, TDC will also use the additional subvention to carry out the said work.

In 2021-22, TDC will continue to cement Hong Kong's position as a global investment and business hub by seizing opportunities arising from the Belt and Road Initiative and GBA development. To this end, TDC plans to organise various events, including co-organising the sixth Belt and Road Summit with the Government with an emphasis of promoting Hong Kong as the entry point to the GBA; launching a one-stop support platform called "GoGBA"; encouraging GBA enterprises to participate in major events in Hong Kong such as "Asian Financial Forum" and "Hong Kong Forum"; and organising visits to and exchange activities in Shenzhen and other GBA cities when circumstances permit.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)037

(Question Serial No. 1015)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Matters Requiring Special Attention under this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Hong Kong Export Credit Insurance Corporation (HKECIC) to enhance export credit insurance coverage for exporters through the "100% Credit Limit Top-Up Scheme" and other support measures in 2021-22. Please inform this Committee of the number of applications approved by the HKECIC last year. What is the amount of insurance coverage involved? What types of enterprises have applied for insurance coverage? What is the number of claims cases and how many of them are approved? Please set out the information in tabular form. What is the estimated expenditure for such work in 2021-22?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 21)

Reply:

In 2020-21, the number of new policy applications received by the Hong Kong Export Credit Insurance Corporation (ECIC), the number of new policies issued, the total maximum liability of new policies issued and the types of enterprises that applied for new policies are as follows:

2020-21 (As at 28 February 2021)	
Number of new policy applications received	805 applications
Number of new policies issued	439 policies

2020-21 (As at 28 February 2021)	
Total maximum liability of new policies issued <i>(i.e. the maximum amount of claims payable during a policy period)</i>	\$2.823 billion
Types of enterprises that applied for new policies	Major industries included textiles & clothing, electronics, toys, metallic products, and electrical appliances.

In processing claims applications, ECIC will execute its claims payment obligation in accordance with the terms and conditions of policies concerned. Policyholders also have to abide by the insurance principles and the terms and conditions of policies, and take all reasonable and practicable measures and all actions required by ECIC to prevent or minimise losses. On receipt of notification of payment difficulty cases from policyholders, ECIC will keep in contact with the policyholders and follow up on the cases, and will advise the policyholders to take appropriate loss minimisation actions.

Among the payment difficulty cases received, some were eventually resolved with payment from the buyers and no claim payment from ECIC was required, while some were rejected because the policyholders had failed to comply with the terms and conditions of the policies concerned. Details on the claim cases handled by ECIC in 2020-21 are tabulated below:

2020-21 (As at 28 February 2021)	
Payment Difficulty cases	112
Claim Payment cases	60
Cases Resolved	16
Cases Rejected	1
Cases still under Review	35

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

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1093)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention under this Programme that the Commerce, Industry and Tourism Branch (CITB) will continue to collaborate with various departments, agencies and stakeholders to formulate external promotion strategies in preparation for launching overseas promotional campaigns to bolster Hong Kong's international image when the pandemic is under control. Please advise this Committee of the specific plans and implementation timetables for the promotion strategies, as well as the expenditures to be involved.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 23)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the "new normal", the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong's developments, and strengthen the promotion on the successful implementation of "One Country, Two Systems" and Hong Kong's advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the

latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

When the pandemic stabilises, the ETOs, ISD, Invest Hong Kong, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong. As the relevant work is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau as well as the ETOs, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)039

(Question Serial No. 1094)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, to meet the main objective of supporting the economy recovery during and after the pandemic, the matters of the Hong Kong Trade Development Council requiring special attention in 2021-22 include, inter alia, promoting Hong Kong as an investment hub for healthcare sector. Please inform this Committee of the specific plans and expenditure required for the relevant work.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 24)

Reply:

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention to the Hong Kong Trade Development Council (TDC), including \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and promote Hong Kong's healthcare products and services.

Regarding the promotion of Hong Kong's healthcare products and services, to help relevant companies grasp opportunities, TDC will stage an inaugural "Asia Summit on Global Health", bringing together business and political leaders and investors in biotechnology, life sciences, healthcare infrastructure and related fields, to explore new trends in the healthcare industry; promote the advantages of Hong Kong's healthcare products and services; foster investment and unlock market opportunities; and promote Hong Kong as the healthcare innovation and investment hub in Asia. TDC will also add dedicated zones on biotechnology and anti-epidemic innovations in the "Hong Kong International Medical and Healthcare Fair", as well as promote Hong Kong's biomedical and healthcare innovations at its local and major international events, in order to showcase Hong Kong's strengths, foster investment, and provide a platform for local small and medium enterprises in the healthcare sector to expand businesses.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)040

(Question Serial No. 1095)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2021-22 under this Programme that the Commerce, Industry and Tourism Branch will, inter alia, continue to implement the Local Mask Production Subsidy Scheme under the Anti-epidemic Fund. Please inform this Committee of the expenditure on the Scheme and the items subsidised over the past year. How effective has the Scheme been? Please set out and explain in a table what is planned for the Scheme for the new financial year of 2021-22 and the expenditure involved.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 25)

Reply:

The financial implications of the Local Mask Production Subsidy Scheme (Subsidy Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

The Subsidy Scheme was launched in March 2020 to facilitate the establishment of local mask production facilities so as to address the severe shortage situation then and to build up stock. Under the Subsidy Scheme, the Government provides capital subsidy to the 20 production lines, covering cost items relevant to the establishment of a mask production line (i.e. production equipment, venue setup, clean room setup, and testing and standard compliance costs). The subsidy is disbursed in four instalments, depending on the progress of establishing the production lines and production outputs. In addition, the Government procures up to two million masks from each production line every month for one year. The price of the masks is set with reference to major production costs and such costs are reviewed regularly. Documentary proof must be submitted by the relevant companies for verification purposes.

As at 28 February 2021, the Government has disbursed the first two instalments of the capital subsidy to all production lines in accordance with the funding agreements, amounting to \$14.56 million. The production lines have supplied to the Government a total of 325.67 million masks. Based on information provided by the production lines, the average price of a mask is \$1.31.

Once the production lines have been confirmed to meet the relevant requirements laid down in the funding agreements, the Government will disburse the two remaining instalments of the capital subsidy in a timely manner. The Government will also continue to procure masks for the remaining period from the production lines in accordance with the funding agreements.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1097)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, Matters Requiring Special Attention in 2021-22 of the Commerce, Industry and Tourism Branch and the Hong Kong Tourism Board include driving the recovery of the Meetings, Incentive Travels, Conventions and Exhibitions (MICE) industry by putting forward competitive bidding packages to retain and win large and medium-sized international MICE events, stepping up efforts to cultivate the growth of small-sized MICE groups, and engaging leaders of professional and business communities, associations, and academic institutions to be MICE ambassadors who help attract high-profile MICE events. What are the actual plans and timetables for the above initiatives? What are the estimated expenditures and the expected results?

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

Reply:

The COVID-19 epidemic has brought serious adverse impact to Meetings, Incentive Travels, Conventions and Exhibitions (MICE) tourism globally. The Hong Kong Tourism Board (HKTB) envisages that it will take some time for MICE tourism to recover. In 2021-22, the focus of the work of HKTB is to rebuild the confidence of MICE organisers and MICE visitors on Hong Kong; actively bid for large-scale or strategic international MICE events to stage in Hong Kong; attract high-yield visitors; strengthen support to the trade and assist the local MICE sector to solicit more visitors to Hong Kong. Major promotion work will be carried out on four fronts:

Rebuilding confidence

- Collaborating with internationally renowned commercial media to bid for international conferences and inviting top speakers from around the globe to draw media spotlight, building a reputation through successful staging of MICE events so as to raise Hong Kong's position and profile internationally.

- Working with local trade partners to actively participate in international MICE trade shows in major source markets to help them network and create business opportunities.
- Launching a new brand campaign to strengthen Hong Kong's image as "The World's Meeting Place" and attracting more MICE events of different scales to Hong Kong.

Driving recovery

- In partnership with hotels, airlines and attractions in relaunching "Meet On @ Hong Kong" to provide meetings and incentive travels with various hospitality offers and discounts so as to attract more visitors.
- Continue to take forward the "Hong Kong Convention Ambassador" programme under which over 100 professional and business leaders from various sectors have been invited to bring MICE events to Hong Kong together.
- Designing itineraries of different themes for incentive travels to promote Hong Kong's diverse and unique travel experiences and attract Mainland and overseas corporates to choose Hong Kong as the destination for their incentive travels.

Strengthening support to the trade

- Lowering the application threshold for the "Funding Support for Small-sized Meeting, Incentive & Convention Groups" from two-night stay to one-night stay, which will incentivise local operators to attract more groups of this type.
- Rolling out a new funding support scheme for the hotel sector to help them attract more small-sized corporate and international meetings.

Promoting long-term development

- Establishing Hong Kong as the MICE hub of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA); actively inviting related trades to organise large-scale GBA-themed international conferences in Hong Kong; and attracting global business travellers to participate in these MICE events and undertake site visits and tours in the region to stimulate the overall development of the MICE tourism market in the GBA.

HKTB plans to spend \$79.4 million on MICE tourism promotion in 2021-22. HKTB formulated this estimation mainly based on the projected pace of market recovery for the time being. HKTB will make adjustments according to the development of the epidemic situation, the recovery of different markets, and other relevant factors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)042

(Question Serial No. 1098)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) under this Programme is to formulate policies to support small and medium enterprises (SMEs). Please advise this Committee of the policy measures introduced by CITB in the past year to support SMEs, and set out the expenditures involved, the effectiveness, as well as the trades and the number of SMEs benefited. Please also advise on the policies and new plans to be implemented by CITB in 2021-22 to support SMEs, the respective expenditures involved, as well as the expected effectiveness. How will the Government gauge the needs of SMEs in Hong Kong, put in place and update its support measures in response to the latest developments in the global economy, Sino-US trade relations and the COVID-19 pandemic?

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

Reply:

The Government attaches great importance to the development of small and medium enterprises (SMEs), and review the various support measures from time to time in response to the economic situation in order to provide timely and due support to SMEs.

Our work in the past year

The measures launched by the Commerce, Industry and Tourism Branch to support SMEs and their relevant expenditure are as follows:

SME Financing Guarantee Scheme (SFGS)

- The Government has been helping businesses obtain commercial loans by providing loan guarantees under the SFGS. To assist enterprises hard hit by the COVID-19 epidemic in coping with cash flow problems, the Government, in addition to the previously implemented 80% and 90% Guarantee Products, launched on 20 April 2020 the Special 100% Guarantee Product under the SFGS, for one year till 19 April 2021, to provide low-interest loans to SMEs. At the same time, the Government enhanced the existing 80% and 90% Guarantee Products by raising the maximum loan amount to \$18 million and \$8 million respectively, providing a one-year interest subsidy, and accepting applications from publicly listed companies in Hong Kong for one year.
- In September 2020, the Government enhanced the Special 100% Guarantee Product by increasing the maximum loan amount per enterprise from the total amount of employee wages and rents for six months, to that for 12 months, or \$5 million (originally \$4 million), whichever is lower; and increasing the maximum repayment period from three years to five years, with a view to providing further support and assistance to SMEs. At the same time, the Government has extended the maximum duration of principal moratorium for the 80% and 90% Guarantee Products from 12 months to 18 months.
- From January 2020 to end February 2021, the application figures of various guarantee products under the SFGS are as follows:

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Number of Applications Received	2 530	3 147	29 394
Number of Applications Approved	2 357	3 017	28 479
<u>The major beneficiary sectors</u>			
• Trading, Wholesale and Retail	1 238	1 445	10 486
• Engineering and Construction	250	263	2 268
• Manufacturing	249	209	2 005
• Others	620	1 100	13 720

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Total Loan Amount of Approved Cases (\$)	11.448 billion	5.609 billion	45.329 billion
<u>The major beneficiary sectors</u>			
• Trading, Wholesale and Retail	6.208 billion	2.672 billion	14.902 billion
• Engineering and Construction	1.235 billion	0.634 billion	4.670 billion
• Manufacturing	1.418 billion	0.407 billion	3.317 billion
• Others	2.587 billion	1.896 billion	22.440 billion

Note: The 90% Guarantee Product was launched on 16 December 2019; the Special 100% Guarantee Product was launched on 20 April 2020.

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- The Government injected \$2 billion into the BUD Fund, and has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- The Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures since January 2020, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has provided online application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, the Government provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

- The overall implementation progress of the above funding schemes in 2020 is as follows:

	EMF	BUD Fund	TSF
Number of applications received ^{Note 1}	11 215	3 521	69
Number of applications approved	10 764	909	28
Number of beneficiaries	5 750	843	Not applicable ^{Note 2}
Amount of grants approved by the Government (\$)	240 million	602 million	55 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics	1. Wholesale and Retail 2. Import and Export Trade 3. Textiles and Clothing	1. Cross-sector 2. Aircraft and Automotive Parts 3. Food and Beverage Manufacturing

Note 1: Applications received may not be processed in the same year. The figures also include applications that could not be processed due to lack of necessary information and those voluntarily withdrawn by enterprises.

Note 2: The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department, the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Effectiveness

The Special 100% Guarantee Product under the SFGS has been well-received by businesses. The response of banks has also been positive. As at end February 2021, \$45.33 billion of loans were approved, benefitting over 21 000 enterprises, involving over 260 000 employees. At the same time, the 80% and 90% Guarantee Products continue to provide financial support to SMEs requiring larger loan amounts. From January 2020 to end February 2021, \$17.06 billion of loans were approved under the 80% and 90% Guarantee Products, benefitting over 4 000 enterprises, involving over 40 000 employees. In addition, the interest subsidy provided by the Government amounted to about \$0.29 billion, greatly relieving the interest burden of enterprises.

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year. Due to the COVID-19 outbreak, many local and overseas exhibitions and business missions were cancelled or postponed. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

Plans for 2021-22

As the epidemic has been lingering on for over one year, to continue to relieve the cash flow pressure of SMEs, the Financial Secretary announced in the 2021-22 Budget the extension of the application period of the Special 100% Guarantee Product to 31 December 2021; and further increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months; with the ceiling increasing from \$5 million to \$6 million. In addition, having considered the repayment pressure faced by SMEs, the maximum repayment period would be extended from five years to eight years; while the maximum duration of principal moratorium would be extended from 12 months to 18 months, thereby relieving the burden on SMEs.

Furthermore, to support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in obtaining financing, developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes

through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the TSF in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

Other SME support measures

Intellectual Property (IP)

Intellectual Property Department (IPD) launched the “IP Manager Scheme PLUS” in October 2020 to provide more comprehensive and in-depth IP training programmes. IPD will continue to implement the “IP Manager Scheme PLUS” and provide the free “IP Consultation Service” in 2021-22 to help SMEs enhance their manpower capacity in IP management and commercialisation. Since the launch of the IP Manager Scheme in May 2015, IPD has organised 14 rounds of training courses and 15 practical workshops, with more than 2 600 and 490 participants from over 1 800 SMEs attending these events respectively. From the launch of the free “IP Consultation Service” in 2014 to February 2021, over 480 SMEs had used the service.

Since October 2015, IPD has been sponsoring professional bodies in conducting various training courses on IP related subjects to assist SMEs in managing IP assets and conducting IP commercialisation. Training topics include patent search, trade mark search, practical skills in handling patent matters, preparation for the National Qualification Examination for Patent Agents, and IP valuation. Over 770 persons have participated in these trainings so far.

Exploring opportunities

HKTDC has all along been helping SMEs to diversify markets and to grasp opportunities through its global network, as well as physical and digital platforms. In 2020-21, HKTDC helped SMEs create opportunities and explore various potential markets through different measures, such as providing online and offline marketing channels for SMEs to promote local products to different markets, as well as providing local SMEs with digital marketing and e-commerce solutions. HKTDC also helped SMEs handle the challenges brought by the COVID-19 outbreak to local economy through different activities, such as facilitating SMEs to conduct sourcing through virtual expos like “Summer Sourcing Week | GO ONLINE” and “Autumn Sourcing Week | ONLINE”, promoting Hong Kong brands through online activities such as “CENTRESTAGE virtual fashion show”, as well as providing consultation and organising online seminars for SMEs through video conference.

In 2021-22, to support economic recovery during and after the epidemic, HKTDC will strengthen its support for SMEs to ride out the epidemic challenges. It will provide assistance to SMEs in four major areas, including (a) fully utilising the solid advantages of Hong Kong as an international financial and business centre to consolidate Hong Kong’s position as a global commercial hub; (b) with the national dual circulation policy, the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the full

implementation of the Hong Kong-ASEAN FTA, launching a series of events to help Hong Kong companies including SMEs seize the enormous opportunities in the Mainland and ASEAN markets, etc., as well as fostering the “Hong Kong-Mainland-ASEAN” tripartite partnership; (c) actively equipping SMEs by, amongst others, making hybrid mode of physical and virtual offerings as regular features in its anchor events to broaden their reach to global audience; and (d) creating opportunities for start-ups.

To further assist Hong Kong companies in operating in the business environment affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to HKTDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise HKTDC to develop virtual platforms to enhance its capability to organise online events and to proceed with digitalisation; and \$74 million in 2021-22 to subsidise HKTDC to promote Hong Kong’s strengths in the development of the GBA and promote Hong Kong’s healthcare products and services.

Export credit insurance

To strengthen the support and protection for exporters and help them in regaining market shares, the Government introduced the “100% Credit Limit Top-Up Scheme” (the Scheme) through the Hong Kong Export Credit Insurance Corporation (ECIC) to enhance the export credit insurance protection for exporters and provide assistance to the trade in face of increasing credit risks. Under the Scheme, ECIC would automatically double the credit limits of existing policyholders or uplift the limits to the amount applied for, whichever is the smaller, subject to a cap of \$100 million. New credit limit applications will also be topped up in a similar manner. No separate application is required. The Scheme commenced on 8 June 2020 and was originally scheduled to run for six months until 8 December 2020. To continue providing enhanced support to the trade, the Scheme has been extended for six months to 8 June 2021 in order to assist exporters in seizing opportunities under the “new normal”.

As of end-February 2021, 8 407 credit limits were uplifted, of which 2 047 were new credit limits. Of the \$21.649 billion of credit limits benefiting from the Scheme, the top-up portion amounted to \$9.742 billion, providing protection for a cumulative amount of \$5.465 billion of shipments.

Besides, ECIC has also rolled out earlier series of support measures in response to the China-US trade conflict and the pandemic respectively, with a view to strengthening protection for Hong Kong exporters. The special enhanced measures in response to the China-US trade conflict was introduced in 2018, and has been extended to 30 June 2022. The measures aim at strengthening protection for Hong Kong exporters affected by the tariff measures of the US, including providing free pre-shipment cover for "Small Business Policy" (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million) affected by the US tariff measures; uplifting each credit limit on US buyers held by SBP holders by 20% to a maximum of \$5 million; providing 30% discount on premium for SBP holders; and providing six free buyer credit assessments to each Hong Kong exporter.

The enhanced measures rolled out in April 2020 in response to the pandemic have also been extended to 30 June 2022. The measures provide a range of support to SBP holders, including providing free pre-shipment cover; uplifting the credit limits on all approved

buyers to a maximum of \$5 million; increasing the premium discount to 50%; and extending the premium payment due date by one month. Under the measures, ECIC will also provide the following support to all policyholders, including waiving annual policy fee; granting across the board payment terms of 120 days; waiving additional premium for extending or new payment term; expediting claims settlement process (claims payment will be made within five days for cases involving amount up to \$1 million upon receipt of relevant documents); simplifying procedures and exercising flexibility in processing claims cases of payment difficulty; and providing 10 additional free buyer credit assessments.

As of end-February 2021, 651 policyholders benefitted from the uplift of credit limits on US buyers under the special enhanced measures rolled out in response to the China-US trade conflict, involving additional credit limits of \$324 million; 1 057 policyholders benefitted from the 30% premium discount, involving additional discount of \$4.71 million. In addition, there were respectively 1 152 and 967 policyholders benefitting from the free pre-shipment cover and 20% credit limit uplift under the enhanced measures in response to the pandemic, involving uplift of credit limits totaling \$664 million. There were respectively 824 and 799 policyholders benefitting from the extension of premium payment due date and additional premium discount, involving \$4.17 million of discount. Also, 1 155 policyholders benefitted from the waiver of annual policy fee, and 2 343 policyholders benefitted from the 120-day payment term.

The export trade or domestic sale conducted by Hong Kong businesses operating in the Mainland is currently covered by ECIC's services, and can also benefit from the various measures set out above. ECIC will also continue to monitor closely the economic situation and the needs of enterprises to adjust its support measures as appropriate. ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters. As for the Scheme, the Government has set aside \$300 million under the Anti-epidemic Fund to assume the additional risks arising from the Scheme.

Summary

The Government will continue to monitor the development of US-China trade conflict and the situation of the COVID-19 outbreak and their impact on Hong Kong's economy, maintain close communication with the trade, and introduce further support measures as appropriate. The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau and respective departments/organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1105)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau has worked with the Hong Kong Export Credit Insurance Corporation (HKECIC) to assist Hong Kong exporters, including introducing through HKECIC the "100% Credit Limit Top-Up Scheme" and other HKECIC's enhanced measures to strengthen the support and protection to Hong Kong exporters amid the COVID-19 pandemic. Please advise this Committee of the effectiveness of such enhanced measures and strengthened support in the past financial year. What was the expenditure involved? What are the details of the scheme and the expenditure involved for the new financial year (i.e. 2021-22)?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 37)

Reply:

To strengthen the support and protection for exporters and assist them in regaining market shares, the HKSAR Government introduced the "100% Credit Limit Top-Up Scheme" (the Scheme) through the Hong Kong Export Credit Insurance Corporation (ECIC) to enhance the export credit insurance protection for exporters and provide assistance to the trade in face of the increasing credit risks. Under the Scheme, ECIC would automatically double the credit limits of existing policyholders or uplift the limits to the amount applied for, whichever is the smaller, subject to a cap of \$100 million. New credit limit applications will also be topped up in a similar manner. No separate application is required. The Scheme commenced on 8 June 2020 and was originally scheduled to run for six months until 8 December 2020. To continue providing enhanced support to the trade, the Scheme has been extended for six months to 8 June 2021, in order to assist exporters in seizing opportunities under the "new normal".

As of end-February 2021, 8 407 credit limits were uplifted, of which 2 047 were new credit limits. Of the \$21.649 billion of credit limits benefiting from the Scheme, the top-up portion amounted to \$9.742 billion, providing protection for a cumulative amount of \$5.465 billion of shipments.

Besides, ECIC has also rolled out earlier a series of support measures in response to the China-US trade conflict and the pandemic respectively, with a view to strengthening protection for Hong Kong exporters. The special enhanced measures in response to the China-US trade conflict was introduced in 2018, and was extended to 30 June 2022. The measures aim at strengthening protection for Hong Kong exporters affected by the tariff measures of the US, including providing free pre-shipment cover for “Small Business Policy” (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million) affected by the US tariff measures; uplifting each credit limit on US buyers held by SBP holders by 20% to a maximum of \$5 million; providing 30% discount on premium for SBP holders; and providing six free buyer credit assessments to each Hong Kong exporter.

The enhanced measures rolled out in April 2020 in response to the pandemic have also been extended to 30 June 2022. The measures provide a range of support to SBP holders, including providing free pre-shipment cover; uplifting the credit limits on all approved buyers to a maximum of \$5 million; increasing the premium discount to 50%; and extending the premium payment due date by one month. Under the measures, ECIC will also provide the following support to all policyholders, including waiving annual policy fee; granting across the board payment terms of 120 days; waiving additional premium for extending or new payment term; expediting claims settlement process (claims payment will be made within five days for cases involving amount up to \$1 million upon receipt of relevant documents); simplifying procedures and exercising flexibility in processing claims cases of payment difficulty; and providing 10 additional free buyer credit assessments.

As of end-February 2021, 651 policyholders benefitted from the uplift of credit limits on US buyers under the special enhanced measures rolled out in response to the China-US trade conflict, involving additional credit limits of \$324 million; 1 057 policyholders benefitted from the 30% premium discount, involving additional discount of \$4.71 million. In addition, there were respectively 1 152 and 967 policyholders benefitting from the free pre-shipment cover and 20% credit limit uplift under the enhanced measures in response to the pandemic, involving uplift of credit limits totaling \$664 million. There were respectively 824 and 799 policyholders benefitting from the extension of premium payment due date and additional premium discount, involving \$4.17 million of discount. Also, 1 155 policyholders benefitted from the waiver of annual policy fee, and 2 343 policyholders benefitted from the 120-day payment term.

As the pandemic is still rampant worldwide, exporters are faced with uncertainties in the external economic environment. The Government will continue to closely monitor the development of the pandemic and maintain close communication with the trade. We will take into account the circumstances and needs of the trade when implementing various measures, and conduct timely review on the support measures for the trade (especially small and medium-sized enterprises) to ensure that the measures are appropriate. ECIC will also continue to monitor closely the economic situation and the needs of enterprises to adjust its support measures as appropriate.

ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters. As for the Scheme, the Government has reserved \$300 million under the Anti-epidemic Fund to assume the additional risks arising from the Scheme.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1114)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) under this Programme is to provide support to local businesses operating in the Mainland. Please inform this Committee of the expenditure involved for such work in the previous year. What support has been provided to Hong Kong businesses in the Mainland? Due to the impact of the COVID-19 pandemic, coupled with the unstable trade relations between China and the United States and the global economic uncertainties, the operating environment of small and medium enterprises is deteriorating rapidly. In the new financial year (i.e. 2021-22), what are the new work plans to support Hong Kong businesses operating in the Mainland in tiding over the economic downturn? What is the expenditure to be involved?

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

Reply:

The Government attaches great importance to the development of small and medium enterprises (SMEs) (including Hong Kong SMEs operating on the Mainland), and review the various support measures from time to time in response to the economic situation in order to provide timely and due support to SMEs.

Our work in the past year

The measures launched by the Commerce, Industry and Tourism Branch to support SMEs and their relevant expenditure are as follows:

SME Financing Guarantee Scheme (SFGS)

- The Government has been helping businesses obtain commercial loans by providing loan guarantees under the SFGS. To assist enterprises hard hit by the COVID-19 epidemic in coping with cash flow problems, the Government, in addition to the previously implemented 80% and 90% Guarantee Products, launched on 20 April 2020 the Special 100% Guarantee Product under the SFGS, for one year till 19 April 2021, to provide low-interest loans to SMEs. At the same time, the Government enhanced the existing 80% and 90% Guarantee Products by raising the maximum loan amount to \$18 million and \$8 million respectively, providing a one-year interest subsidy, and accepting applications from publicly listed companies in Hong Kong for one year.
- In September 2020, the Government enhanced the Special 100% Guarantee Product by increasing the maximum loan amount per enterprise from the total amount of employee wages and rents for six months, to that for 12 months, or \$5 million (originally \$4 million), whichever is lower; and increasing the maximum repayment period from three years to five years, with a view to providing further support and assistance to SMEs. At the same time, the Government has extended the maximum duration of principal moratorium for the 80% and 90% Guarantee Products from 12 months to 18 months.
- From January 2020 to end February 2021, the application figures of various guarantee products under the SFGS are as follows:

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	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Total Loan Amount of Approved Cases (\$)	11.448 billion	5.609 billion	45.329 billion
<u>The major beneficiary sectors</u>			
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• Others	2.587 billion	1.896 billion	22.440 billion

Note: The 90% Guarantee Product was launched on 16 December 2019; the Special 100% Guarantee Product was launched on 20 April 2020.

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- The Government injected \$2 billion into the BUD Fund, and has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- The Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures since January 2020, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has provided online application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, the Government provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

- The overall implementation progress of the above funding schemes in 2020 is as follows:

	EMF	BUD Fund	TSF
Number of applications received ^{Note 1}	11 215	3 521	69
Number of applications approved	10 764	909	28
Number of beneficiaries	5 750	843	Not applicable ^{Note 2}
Amount of grants approved by the Government (\$)	240 million	602 million	55 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics	1. Wholesale and Retail 2. Import and Export Trade 3. Textiles and Clothing	1. Cross-sector 2. Aircraft and Automotive Parts 3. Food and Beverage Manufacturing

Note 1: Applications received may not be processed in the same year. The figures also include applications that could not be processed due to lack of necessary information and those voluntarily withdrawn by enterprises.

Note 2: The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department (TID), the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Assisting Hong Kong Enterprises in Exploring the Domestic Mainland Market

- To assist Hong Kong enterprises in exploring the domestic Mainland market and leveraging on the enormous business opportunities in the Mainland, the Commerce and Economic Development Bureau (CEDB) collaborated with the Ministry of Commerce, the Guangdong Department of Commerce and HKTDC in organising a seminar during the China Processing Trade Products Fair held in Dongguan in December 2020 to brief Hong Kong enterprises intending to pursue domestic sales about the Mainland's economic and trade policies and facilitation measures. Business matching activities were also arranged. The seminar was well received by the trade and attracted about 1 200 participants through both online and offline modes.
- We co-ordinated through HKTDC the participation of Hong Kong enterprises in the third China International Import Expo (CIIE) held in Shanghai from 5 to 10 November 2020, with a total of about 240 Hong Kong enterprises showcased and promoted Hong Kong's quality products and professional services.

Effectiveness

The Special 100% Guarantee Product under the SFGS has been well-received by businesses. The response of banks has also been positive. As at end February 2021, \$45.33 billion of loans were approved, benefitting over 21 000 enterprises, involving over 260 000 employees. At the same time, the 80% and 90% Guarantee Products continue to provide financial support to SMEs requiring larger loan amounts. From January 2020 to end February 2021, \$17.06 billion of loans were approved under the 80% and 90% Guarantee Products, benefitting over 4 000 enterprises, involving over 40 000 employees. In addition, the interest subsidy provided by the Government amounted to about \$0.29 billion, greatly relieving the interest burden of enterprises.

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year. Due to the COVID-19 outbreak, many local and overseas exhibitions and business missions were cancelled or postponed. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

Plans for 2021-22

As the epidemic has been lingering on for over one year, to continue to relieve the cash flow pressure of SMEs, the Financial Secretary announced in the 2021-22 Budget the extension of the application period of the Special 100% Guarantee Product to 31 December 2021; and further increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months; with the ceiling increasing from \$5 million to \$6 million. In addition, having considered the repayment pressure faced by SMEs, the maximum repayment period would be extended from five years to eight years; while the maximum duration of principal moratorium would be extended from 12 months to 18 months, thereby relieving the burden on SMEs.

Furthermore, to support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in obtaining financing, developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the TSF in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

Other SME support measures

Assisting Hong Kong Enterprises in Exploring the Domestic Mainland Market

To assist Hong Kong enterprises especially SMEs in leveraging on the business opportunities brought about by the national domestic circulation development strategy to explore the domestic Mainland market, we will continue to participate actively in the fourth CIIE, scheduled to be held in Shanghai in November 2021. The estimated expenditure for CEDB's co-ordination of HKSAR's participation in CIIE in 2021-22 is about \$13.1 million.

The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) offers an ideal entry point for Hong Kong companies intending to explore the Mainland market. In 2021-22, HKTDC will launch a one-stop support platform entitled "GoGBA" to provide information and practical tools, to complement other support and consultation services, seminars and trainings, as well as field trips, in order to help companies explore opportunities and gain practical experience for further expansion into other Mainland markets. HKTDC will also set up a "HKTDC GBA Centre" in Shenzhen, and organise workshops, focus groups and other networking activities to help Hong Kong SMEs grasp opportunities in the GBA. Furthermore, HKTDC will organise large-scale events in the GBA to promote Hong Kong's products for underlining Hong Kong's capabilities in design and creativity.

Besides the physical and online outlets of its “Design Gallery” on the Mainland, HKTDC has also launched a one-stop “ConsignEasy” service to help companies tackle logistics, warehousing, taxation and other matters related to domestic sales. To strengthen promotion, HKTDC will organise online and offline marketing campaigns, as well as organise participation of Hong Kong companies at major Mainland exhibitions to promote Hong Kong brands and products.

The above work has been subsumed under the overall estimated expenditure of HKTDC under Programme (3), and cannot be quantified separately.

Establishing close ties with the Mainland and providing the trade with Mainland business information

The Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) by seeking various preferential and facilitation measures for the trade. The amendment agreement to the CEPA Agreement on Trade in Services has been smoothly implemented since 1 June 2020. The amendment agreement introduces new liberalisation measures in a number of important services sectors such as financial services, legal services, construction and related engineering services, testing and certification, television, motion pictures, tourism services, etc., making it easier for Hong Kong service suppliers and professionals to set up enterprises and develop business on the Mainland. We proactively liaise with chambers of commerce, professional bodies, industry organisations, etc. to introduce to the trade details of the new liberalisation measures under the amendment agreement through various channels, with a view to strengthening the trade’s understanding of the new liberalisation measures and related implementation arrangements. TID provides business information and consultation services free of charge. It has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation and updates of relevant regulations and implementation of liberalisation measures on its website for the trade’s reference in a timely manner.

TID maintains close liaison with the trade through various channels so as to keep abreast of the trade’s concerns and views. It also maintains close liaison with the Mainland authorities to relay to them the trade’s views and to discuss with them support measures for the trade. In addition, TID disseminates business information to the trade by means of circulars to enhance the trade’s understanding of the Mainland’s latest trade policies, legislation and business environment. In 2020-21, TID issued in total about 550 circulars relating to the Mainland’s latest trade policies, encompassing the latest developments in respect of regulations relating to the implementation of the Foreign Investment Law, support measures for SMEs, measures relating to the tax policies, labour and social welfare, etc.

Exploring opportunities

HKTDC has all along been helping SMEs to diversify markets and to grasp opportunities through its global network, as well as physical and digital platforms. In 2020-21, HKTDC helped SMEs create opportunities and explore various potential markets through different measures, such as providing online and offline marketing channels for SMEs to promote local products to different markets, as well as providing local SMEs with digital marketing

and e-commerce solutions. HKTDC also helped SMEs handle the challenges brought by the COVID-19 outbreak to local economy through different activities, such as facilitating SMEs to conduct sourcing through virtual expos like “Summer Sourcing Week | GO ONLINE” and “Autumn Sourcing Week | ONLINE”, promoting Hong Kong brands through online activities such as “CENTRESTAGE virtual fashion show”, as well as providing consultation and organising online seminars for SMEs through video conference.

In 2021-22, to support economic recovery during and after the epidemic, HKTDC will strengthen its support for SMEs to ride out the epidemic challenges. It will provide assistance to SMEs in four major areas, including (a) fully utilising the solid advantages of Hong Kong as an international financial and business centre to consolidate Hong Kong’s position as a global commercial hub; (b) with the national dual circulation policy, the development of the GBA and the full implementation of the Hong Kong-ASEAN FTA, launching a series of events to help Hong Kong companies including SMEs seize the enormous opportunities in the Mainland and ASEAN markets, etc., as well as fostering the “Hong Kong-Mainland-ASEAN” tripartite partnership; (c) actively equipping SMEs by, amongst others, making hybrid mode of physical and virtual offerings as regular features in its anchor events to broaden their reach to global audience; and (d) creating opportunities for start-ups.

To further assist Hong Kong companies in operating in the business environment affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to HKTDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise HKTDC to develop virtual platforms to enhance its capability to organise online events and to proceed with digitalisation; and \$74 million in 2021-22 to subsidise HKTDC to promote Hong Kong’s strengths in the development of the GBA and promote Hong Kong’s healthcare products and services.

Export credit insurance

To strengthen the support and protection for exporters and help them in regaining market shares, the Government introduced the “100% Credit Limit Top-Up Scheme” (the Scheme) through the Hong Kong Export Credit Insurance Corporation (ECIC) to enhance the export credit insurance protection for exporters and provide assistance to the trade in face of increasing credit risks. Under the Scheme, ECIC would automatically double the credit limits of existing policyholders or uplift the limits to the amount applied for, whichever is the smaller, subject to a cap of \$100 million. New credit limit applications will also be topped up in a similar manner. No separate application is required. The Scheme commenced on 8 June 2020 and was originally scheduled to run for six months until 8 December 2020. To continue providing enhanced support to the trade, the Scheme has been extended for six months to 8 June 2021 in order to assist exporters in seizing opportunities under the “new normal”.

As of end-February 2021, 8 407 credit limits were uplifted, of which 2 047 were new credit limits. Of the \$21.649 billion of credit limits benefiting from the Scheme, the top-up portion amounted to \$9.742 billion, providing protection for a cumulative amount of \$5.465 billion of shipments.

Besides, ECIC has also rolled out earlier series of support measures in response to the China-US trade conflict and the pandemic respectively, with a view to strengthening protection for Hong Kong exporters. The special enhanced measures in response to the China-US trade conflict was introduced in 2018, and has been extended to 30 June 2022. The measures aim at strengthening protection for Hong Kong exporters affected by the tariff measures of the US, including providing free pre-shipment cover for "Small Business Policy" (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million) affected by the US tariff measures; uplifting each credit limit on US buyers held by SBP holders by 20% to a maximum of \$5 million; providing 30% discount on premium for SBP holders; and providing six free buyer credit assessments to each Hong Kong exporter.

The enhanced measures rolled out in April 2020 in response to the pandemic have also been extended to 30 June 2022. The measures provide a range of support to SBP holders, including providing free pre-shipment cover; uplifting the credit limits on all approved buyers to a maximum of \$5 million; increasing the premium discount to 50%; and extending the premium payment due date by one month. Under the measures, ECIC will also provide the following support to all policyholders, including waiving annual policy fee; granting across the board payment terms of 120 days; waiving additional premium for extending or new payment term; expediting claims settlement process (claims payment will be made within five days for cases involving amount up to \$1 million upon receipt of relevant documents); simplifying procedures and exercising flexibility in processing claims cases of payment difficulty; and providing 10 additional free buyer credit assessments.

As of end-February 2021, 651 policyholders benefitted from the uplift of credit limits on US buyers under the special enhanced measures rolled out in response to the China-US trade conflict, involving additional credit limits of \$324 million; 1 057 policyholders benefitted from the 30% premium discount, involving additional discount of \$4.71 million. In addition, there were respectively 1 152 and 967 policyholders benefitting from the free pre-shipment cover and 20% credit limit uplift under the enhanced measures in response to the pandemic, involving uplift of credit limits totaling \$664 million. There were respectively 824 and 799 policyholders benefitting from the extension of premium payment due date and additional premium discount, involving \$4.17 million of discount. Also, 1 155 policyholders benefitted from the waiver of annual policy fee, and 2 343 policyholders benefitted from the 120-day payment term.

The export trade or domestic sale conducted by Hong Kong businesses operating in the Mainland is currently covered by ECIC's services, and can also benefit from the various measures set out above. ECIC will also continue to monitor closely the economic situation and the needs of enterprises to adjust its support measures as appropriate. ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters. As for the Scheme, the Government has set aside \$300 million under the Anti-epidemic Fund to assume the additional risks arising from the Scheme.

Summary

The Government will continue to monitor the development of US-China trade conflict and the situation of the COVID-19 outbreak and their impact on Hong Kong's economy, maintain close communication with the trade, and introduce further support measures as

appropriate. The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of the CEDB and respective departments/organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1116)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) under this Programme includes co-ordinating through the Hong Kong Trade Development Council the participation of the Hong Kong enterprises in the third China International Import Expo (CIIE) in Shanghai. Please inform this Committee of the details and expected results of the efforts. What was the expenditure involved? Amid the ever-evolving novel coronavirus epidemic and China-US trade relations, how will the CIIE assist Hong Kong enterprises?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 42)

Reply:

The third China International Import Expo (CIIE) was held in Shanghai from 5 to 10 November 2020, with various activities held in an integrated online-offline mode in accordance with the epidemic control and prevention requirement. Hong Kong enterprises participated actively in the third CIIE to showcase and promote Hong Kong's quality products and professional services. According to official statistics, a total of about 240 Hong Kong enterprises participated in the third CIIE, up about 20% compared to the second CIIE. The transaction value was over USD 2.62 billion.

The demand of the Mainland market is expected to continue to grow under the national "dual circulation" strategy. As the outlook of the global market remains uncertain due to the impact of the epidemic, Hong Kong enterprises can leverage on the important platform of CIIE for tapping into the vast business opportunities of the Mainland market. The fourth CIIE is scheduled to be held in Shanghai from 5 to 10 November 2021. The Government will continue to participate actively to help Hong Kong enterprises promote sales in the domestic Mainland market. The estimated expenditure for the related work in 2021-2022 is \$13.1 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1117)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that one of the duties of the Commerce, Industry and Tourism Branch (CITB) is to closely monitor the implementation and impact of the "Economic and Trade Agreement between the Government of the People's Republic of China and the Government of the United States of America" (Phase One Trade Agreement) signed in January 2020 on Hong Kong's economy, as well as to maintain close communication with the trade and respond to their needs in a timely manner by introducing targeted measures to assist the trade in developing markets and diversifying risks, and to relieve their financing burden. Please advise this Committee of the work done by the CITB in the past year, namely the measures implemented to assist the trade, the expenditure involved, the major beneficiary sectors and the effectiveness. The changing developments in the trade relations between the US and the Mainland, the rapid change in global economic environment and the recent outbreak of the novel coronavirus epidemic have further worsened the business of small and medium enterprises, especially the export sector. What specific plans will be implemented in the new financial year of 2021-22? What will be the estimated expenditure involved?

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

Reply:

The Government has been maintaining close communication with the trade, in particular local chambers of commerce, in respect of the China-United States (US) trade conflict. The Government has met with local chambers many times, and has maintained communication with the business community through various channels to review the situation and formulate response jointly. In response to the economic situation, the Government reviews the various support measures from time to time in order to provide timely and due support to SMEs.

Our work in the past year

The measures launched by the Commerce, Industry and Tourism Branch to support SMEs and their relevant expenditure are as follows:

SME Financing Guarantee Scheme (SFGS)

- The Government has been helping businesses obtain commercial loans by providing loan guarantees under the SFGS. To assist enterprises hard hit by the COVID-19 epidemic in coping with cash flow problems, the Government, in addition to the previously implemented 80% and 90% Guarantee Products, launched on 20 April 2020 the Special 100% Guarantee Product under the SFGS, for one year till 19 April 2021, to provide low-interest loans to SMEs. At the same time, the Government enhanced the existing 80% and 90% Guarantee Products by raising the maximum loan amount to \$18 million and \$8 million respectively, providing a one-year interest subsidy, and accepting applications from publicly listed companies in Hong Kong for one year.
- In September 2020, the Government enhanced the Special 100% Guarantee Product by increasing the maximum loan amount per enterprise from the total amount of employee wages and rents for six months, to that for 12 months, or \$5 million (originally \$4 million), whichever is lower; and increasing the maximum repayment period from three years to five years, with a view to providing further support and assistance to SMEs. At the same time, the Government has extended the maximum duration of principal moratorium for the 80% and 90% Guarantee Products from 12 months to 18 months.
- From January 2020 to end February 2021, the application figures of various guarantee products under the SFGS are as follows:

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Number of Applications Received	2 530	3 147	29 394
Number of Applications Approved	2 357	3 017	28 479
<u>The major beneficiary sectors</u>			
• Trading, Wholesale and Retail	1 238	1 445	10 486
• Engineering and Construction	250	263	2 268
• Manufacturing	249	209	2 005
• Others	620	1 100	13 720
Total Loan Amount of Approved Cases (\$)	11.448 billion	5.609 billion	45.329 billion

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
<u>The major beneficiary sectors</u>			
• Trading, Wholesale and Retail	6.208 billion	2.672 billion	14.902 billion
• Engineering and Construction	1.235 billion	0.634 billion	4.670 billion
• Manufacturing	1.418 billion	0.407 billion	3.317 billion
• Others	2.587 billion	1.896 billion	22.440 billion

Note: The 90% Guarantee Product was launched on 16 December 2019; the Special 100% Guarantee Product was launched on 20 April 2020.

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- In January 2020, the Government injected \$2 billion into the BUD Fund, and launched rounds of enhancement measures, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- In January 2020, the Government injected \$1 billion into the EMF, and launched rounds of enhancement measures, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has been providing electronic application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, the Government provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

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Note 1: Applications received may not be processed in the same year. The figures also include applications that could not be processed due to lack of necessary information and those voluntarily withdrawn by enterprises.

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

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department, the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Effectiveness

The Special 100% Guarantee Product under the SFGS has been well-received by businesses. The response of banks has also been positive. From its launch in April 2020 to end February 2021, \$45.33 billion of loans were approved, benefitting over 21 000 enterprises, involving over 260 000 employees. At the same time, the 80% and 90% Guarantee Products continue to provide financial support to SMEs requiring larger loan amounts. From January 2020 to end February 2021, \$17.06 billion of loans were approved

under the 80% and 90% Guarantee Products, benefitting over 4 000 enterprises, involving over 40 000 employees. In addition, the interest subsidy provided by the Government amounted to about \$0.29 billion, greatly relieving the interest burden of enterprises.

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Plans for 2021-22

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To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in obtaining financing, developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the EMF, the BUD Fund and the TSF in 2021-22 is estimated to be \$1.04 billion (including the administrative and promotional expenses provided to HKPC for operating the BUD Fund, and funding disbursed to the beneficiaries). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

Other SME support measures

Intellectual Property (IP)

Intellectual Property Department (IPD) launched the “IP Manager Scheme PLUS” in October 2020 to provide more comprehensive and in-depth IP training programmes. IPD will continue to implement the “IP Manager Scheme PLUS” and provide the free “IP Consultation Service” in 2021-22 to help SMEs enhance their manpower capacity in IP management and commercialisation. Since the launch of the IP Manager Scheme in May 2015, IPD has organised 14 rounds of training courses and 15 practical workshops, with more than 2 600 and 490 participants from over 1 800 SMEs attending these events respectively. From the launch of the free “IP Consultation Service” in 2014 to February 2021, over 480 SMEs had used the service.

Since October 2015, IPD has been sponsoring professional bodies in conducting various training courses on IP related subjects to assist SMEs in managing IP assets and conducting IP commercialisation. Training topics include patent search, trade mark search, practical skills in handling patent matters, preparation for the National Qualification Examination for Patent Agents, and IP valuation. Over 770 persons have participated in these trainings so far.

Exploring opportunities

HKTDC has all along been helping SMEs to diversify markets and to grasp opportunities through its global network, as well as physical and digital platforms. In 2020-21, HKTDC helped SMEs create opportunities and explore various potential markets through different measures, such as providing online and offline marketing channels for SMEs to promote local products to different markets, as well as providing local SMEs with digital marketing and e-commerce solutions. HKTDC also helped SMEs handle the challenges brought by the COVID-19 outbreak to local economy through different activities, such as facilitating SMEs to conduct sourcing through virtual expos like “Summer Sourcing Week | GO ONLINE” and “Autumn Sourcing Week | ONLINE”, promoting Hong Kong brands through online activities such as “CENTRESTAGE virtual fashion show”, as well as providing consultation and organising online seminars for SMEs through video conference.

In 2021-22, to support economic recovery during and after the epidemic, HKTDC will strengthen its support for SMEs to ride out the epidemic challenges. It will provide assistance to SMEs in four major areas, including (a) fully utilising the solid advantages of Hong Kong as an international financial and business centre to consolidate Hong Kong’s position as a global commercial hub; (b) with the national dual circulation policy, the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the full implementation of the Hong Kong-ASEAN FTA, launching a series of events to help Hong Kong companies including SMEs seize the enormous opportunities in the Mainland and ASEAN markets, etc., as well as fostering the “Hong Kong-Mainland-ASEAN” tripartite partnership; (c) actively equipping SMEs by, amongst others, making hybrid mode of physical and virtual offerings as regular features in its anchor events to broaden their reach to global audience; and (d) creating opportunities for start-ups.

To further assist Hong Kong companies in operating in the business environment affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to HKTDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise HKTDC to develop virtual platforms to enhance its capability to organise online events and to proceed with digitalisation; and \$74 million in 2021-22 to subsidise HKTDC to promote Hong Kong's strengths in the development of the GBA and promote Hong Kong's healthcare products and services.

Export credit insurance

To strengthen the support and protection for exporters and help them in regaining market shares, the Government introduced the "100% Credit Limit Top-Up Scheme" (the Scheme) through the Hong Kong Export Credit Insurance Corporation (ECIC) to enhance the export credit insurance protection for exporters and provide assistance to the trade in face of increasing credit risks. Under the Scheme, ECIC would automatically double the credit limits of existing policyholders or uplift the limits to the amount applied for, whichever is the smaller, subject to a cap of \$100 million. New credit limit applications will also be topped up in a similar manner. No separate application is required. The Scheme commenced on 8 June 2020 and was originally scheduled to run for six months until 8 December 2020. To continue providing enhanced support to the trade, the Scheme has been extended for six months to 8 June 2021 in order to assist exporters in seizing opportunities under the "new normal".

As of end-February 2021, 8 407 credit limits were uplifted, of which 2 047 were new credit limits. Of the \$21.649 billion of credit limits benefiting from the Scheme, the top-up portion amounted to \$9.742 billion, providing protection for a cumulative amount of \$5.465 billion of shipments.

Besides, ECIC has also rolled out earlier series of support measures in response to the China-US trade conflict and the pandemic respectively, with a view to strengthening protection for Hong Kong exporters. The special enhanced measures in response to the China-US trade conflict was introduced in 2018, and has been extended to 30 June 2022. The measures aim at strengthening protection for Hong Kong exporters affected by the tariff measures of the US, including providing free pre-shipment cover for "Small Business Policy" (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million) affected by the US tariff measures; uplifting each credit limit on US buyers held by SBP holders by 20% to a maximum of \$5 million; providing 30% discount on premium for SBP holders; and providing six free buyer credit assessments to each Hong Kong exporter.

The enhanced measures rolled out in April 2020 in response to the pandemic have also been extended to 30 June 2022. The measures provide a range of support to SBP holders, including providing free pre-shipment cover; uplifting the credit limits on all approved buyers to a maximum of \$5 million; increasing the premium discount to 50%; and extending the premium payment due date by one month. Under the measures, ECIC will also provide the following support to all policyholders, including waiving annual policy fee; granting across the board payment terms of 120 days; waiving additional premium for extending or new payment term; expediting claims settlement process (claims payment will be made within five days for cases involving amount up to \$1 million upon receipt of

relevant documents); simplifying procedures and exercising flexibility in processing claims cases of payment difficulty; and providing 10 additional free buyer credit assessments.

As of end-February 2021, 651 policyholders benefitted from the uplift of credit limits on US buyers under the special enhanced measures rolled out in response to the China-US trade conflict, involving additional credit limits of \$324 million; 1 057 policyholders benefitted from the 30% premium discount, involving additional discount of \$4.71 million. In addition, there were respectively 1 152 and 967 policyholders benefitting from the free pre-shipment cover and 20% credit limit uplift under the enhanced measures in response to the pandemic, involving uplift of credit limits totaling \$664 million. There were respectively 824 and 799 policyholders benefitting from the extension of premium payment due date and additional premium discount, involving \$4.17 million of discount. Also, 1 155 policyholders benefitted from the waiver of annual policy fee, and 2 343 policyholders benefitted from the 120-day payment term.

The export trade or domestic sale conducted by Hong Kong businesses operating in the Mainland is currently covered by ECIC's services, and can also benefit from the various measures set out above. ECIC will also continue to monitor closely the economic situation and the needs of enterprises to adjust its support measures as appropriate. ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters. As for the Scheme, the Government has set aside \$300 million under the Anti-epidemic Fund to assume the additional risks arising from the Scheme.

Summary

The Government will continue to monitor the development of China-US trade conflict and the situation of the COVID-19 outbreak and their impact on Hong Kong's economy, maintain close communication with the trade, and introduce further support measures as appropriate. The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau and respective departments/organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)047

(Question Serial No. 1126)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Matters Requiring Special Attention in this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the enhanced Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and free trade agreement markets. Will the Government please inform this Committee of the effectiveness of the work of supporting Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and free trade agreement markets in 2020-21? What is the usage of the BUD Fund? What is the expenditure incurred? In recent years, the HKSAR Government stated that it would develop "Brand Hong Kong" and assist the enterprises concerned in upgrading and restructuring their operations and exploring markets. How effective was the relevant work? What are the specific plans and expenditure to be involved for the relevant work in 2021-22?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 55)

Reply:

Since the current-term government took office, it has enhanced the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) on a number of occasions. Among others, with an injection of \$2 billion into the BUD Fund, the Government has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

The implementation progress of the BUD Fund in 2020 is as follows:

Number of approved applications	909
Number of beneficiaries	843
Amount of grants approved (\$)	602 million
The major beneficiary sectors (listed according to the number of applications approved)	<ol style="list-style-type: none">1. Wholesale and Retail2. Import and Export Trade3. Textiles and Clothing

According to the findings of the project completion surveys, around 99% of the responding enterprises consider the funded projects of the BUD Fund effective in assisting their business development. Enterprises also generally considered that the projects helped enhance the awareness of their brands, improve product quality, develop new products, establish sales networks, enhance their overall competitiveness and increase sales turnover.

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The expenditure of the BUD Fund in 2021-22 is estimated to be \$687 million (including the implementation fees provided to Hong Kong Productivity Council for operating the BUD Fund, and funding disbursed to the grantees).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)048

(Question Serial No. 1127)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Matters Requiring Special Attention in this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Trade and Industry Department to implement the enhanced SME Export Marketing Fund to support Hong Kong enterprises in exploring the Mainland and overseas markets, and in conducting promotion activities targeting the local market. Please inform this Committee of the effectiveness of the work done in the last financial year. What domestic and overseas markets had been developed? What was the expenditure incurred? What is the estimated expenditure for 2021-22? How will the Government assist Hong Kong enterprises in exploring the Mainland and overseas markets?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 56)

Reply:

The current-term Government has injected a total of \$2 billion into the SME Export Marketing Fund (EMF), and launched rounds of enhancement measures, including increasing the cumulative funding ceiling per enterprise successively, from \$200,000 to \$400,000, and then further to \$800,000; increasing the funding ceiling per application from \$50,000 to \$100,000; and introducing an initial payment of up to 75% of the approved government funding.

The implementation progress of the EMF in 2020 is as follows:

Number of applications approved	10 764
Number of beneficiaries	5 750
Amount of grants approved (\$)	240 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics

The EMF does not impose any geographical restriction for applications. Among the approved applications in 2020, major markets of funded promotion activities include the Mainland, the European Union, the United States, the Association of Southeast Asian Nations, as well as emerging markets such as the United Arab Emirates, India, Bahrain and Russia, etc.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by Hong Kong Trade Development Council and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The expenditure of the EMF in 2021-22 is estimated to be \$290 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1128)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, one of the matters requiring special attention by the Commerce, Industry and Tourism Branch is to help Hong Kong and international businesses capitalise on the promising opportunities offered by the steady recovery of the Mainland from the pandemic, with Greater Bay Area development as the central theme. Please inform this Committee of the relevant work in the past year. What was the expenditure involved? What are the specific measures, work plans and estimated expenditure for 2021-22?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 57)

Reply:

Over the past few years, the Hong Kong Trade Development Council (TDC) has endeavoured to help Hong Kong enterprises enter the Mainland market. In 2020-21, TDC worked in earnest to help Hong Kong enterprises promote local products and services. For example, TDC set up Hong Kong Pavilions in large-scale fairs in major Mainland cities to increase exposure of Hong Kong enterprises on the Mainland market, and helped small and medium enterprises (SMEs) in Hong Kong to promote local products through online and offline channels. TDC also promoted the opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) through different events, including exploring GBA-related opportunities in the fifth "Belt and Road Summit", introducing thematic seminar on the GBA in the "Asian Financial Forum", and supporting SMEs enter the GBA market using digital platforms.

Furthermore, to assist Hong Kong companies expand into the Mainland domestic market, especially the huge GBA market, besides the physical and online outlets of its "Design Gallery" in the Mainland, TDC will also launch a one-stop "ConsignEasy" service to help companies tackle logistics, warehousing, taxation and other matters related to selling in the Mainland. To strengthen promotion, TDC will organise online marketing campaigns to promote Hong Kong brands and products, as well as set up Hong Kong Pavilions and

organise participation of Hong Kong companies at major Mainland exhibitions (such as “China International Import Expo” and “China-ASEAN Expo”).

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to TDC from 2021-22 to 2023-24, including \$74 million in 2021-22 to subsidise TDC to promote Hong Kong’s strengths in the development of the GBA and promote Hong Kong’s healthcare products and services. Besides using existing resources, TDC will also use the additional subvention to carry out the said work.

TDC will actively promote Hong Kong’s strengths in the GBA development. TDC will launch a one-stop support platform called “GoGBA” to provide information and useful tools (including market information, research reports, policies and regulations, concessions and subsidies, business network, etc.) to complement TDC’s support and consultation services, seminars and trainings, as well as field trips, in order to help companies explore opportunities and gain practical experience for further expansion into other Mainland markets. TDC will also set up a “HKTDC GBA Centre” in Shenzhen to provide advice and information for companies interested in tapping the GBA or Mainland market; as well as organise workshops, focus groups and other networking activities to help Hong Kong SMEs grasp opportunities from the GBA. Furthermore, TDC will organise large-scale events in the GBA to promote Hong Kong’s products and services, including organising “SmartHK” in Guangzhou as an anchor event of the “Guangdong-Hong Kong Cooperation Week” to promote Hong Kong’s services and technology industry, as well as hosting product promotion events in Shenzhen to showcase technology-driven and lifestyle products for underlining Hong Kong’s capabilities in design and creativity.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)050

(Question Serial No. 1463)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in paragraph 62 of his Budget Speech that “in the face of rising unilateralism, it is all the more important for us to actively promote multilateralism, dismantle various barriers and strength Hong Kong’s links with the international community. We should further expand Hong Kong’s trade, investment and tax agreement networks. The Free Trade Agreement and the Investment Agreement between Hong Kong and the Association of Southeast Asian Nations have recently come into full effect. In November last year, our country signed the Regional Comprehensive Economic Partnership (RCEP) Agreement with 14 economies. We are actively seeking to be among the first batch of economies joining the RCEP after it comes into effect, so as to help Hong Kong businesses and investors open up markets, thereby fostering the long-term economic development of Hong Kong.” Please inform this Committee of the specific plans, timetable and estimated expenditure for the related work, especially for the work on seeking to join the RCEP and helping Hong Kong businesses open up markets.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 27)

Reply:

15 economies including Mainland China, the ten member states of the Association of Southeast Asian Nations (ASEAN), Australia, Japan, Korea, and New Zealand signed the Regional Comprehensive Economic Partnership (RCEP) in November last year. It is the largest Free Trade Agreement (FTA) in the world, covering about 30% of the world’s population and accounting for one-third of the global GDP. In 2020, the total trade between Hong Kong and the 15 RCEP participating economies amounted to US\$772 billion, accounting for 73% of Hong Kong’s total trade.

The successful signing and implementation of RCEP is an important milestone for regional economic integration and will facilitate free and open trade and increase investment in the region, providing impetus for regional cooperation. Joining RCEP will not only facilitate Hong Kong's further integration into the regional value chain and strengthen the economic, trade, and investment ties between Hong Kong and RCEP participating economies in the region and hence driving regional economic growth, but will also enable Hong Kong's goods and enterprises to benefit under the relevant measures in RCEP such as tariff reduction, preferential market access, removal of trade barriers and simplified customs procedures, etc. It will lower the costs of trading and bring about new business opportunities for Hong Kong's goods and enterprises in expanding their markets in the region, thereby providing a momentous drive to global economic recovery in the post-pandemic era.

As highlighted in the Chief Executive's Policy Address in November last year, Hong Kong, as a major financial and trade centre and a logistics hub of the region, coupled with our FTAs signed with 13 of the RCEP participating economies, i.e. the Mainland and Hong Kong Closer Economic Partnership Arrangement signed with Mainland China, and the respective FTAs signed with the ten member states of ASEAN, Australia and New Zealand, is well placed to join RCEP. The HKSAR Government has indicated, as early as in 2018, to individual RCEP participating economies at various levels and on various occasions our keen interest in joining RCEP. In November 2019, when the text-based negotiations were concluded, the Secretary for Commerce and Economic Development (SCED) wrote to individual RCEP participating economies reiterating Hong Kong's interest to join RCEP, and received positive responses that Hong Kong's accession to RCEP could be facilitated in accordance with the relevant provisions set out in RCEP after its entry into force. SCED wrote again to RCEP participating economies after RCEP was signed end of last year to reiterate Hong Kong's interests in joining RCEP. The HKSAR Government is actively engaging individual RCEP participating economies to expedite commencement of discussions on Hong Kong's accession in order to enable Hong Kong's accession to RCEP as soon as possible after its entry into force.

The HKSAR Government will continue to expand Hong Kong's economic, trade, and investment network and assist Hong Kong businesses in expanding externally to further Hong Kong's long-term economic development. As the work mentioned above is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)051

(Question Serial No. 0394)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Budget Speech, our country signed the Regional Comprehensive Economic Partnership (RCEP) Agreement with 14 economies in November last year. Hong Kong is actively seeking to be among the first batch of economies joining the RCEP after it comes into effect, so as to help Hong Kong businesses and investors open up markets, thereby fostering the long-term economic development of Hong Kong. In this connection, will the Government inform this Committee of the following:

1. What is the planned time frame for Hong Kong's entry into the RCEP?
2. What are the substantial benefits of joining the RCEP to Hong Kong?
3. How does the Government strengthen the explanation of the RCEP to the public and relevant sectors?

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 1)

Reply:

15 economies including Mainland China, the ten member states of the Association of Southeast Asian Nations (ASEAN), Australia, Japan, Korea, and New Zealand signed the Regional Comprehensive Economic Partnership (RCEP) in November last year. It is the largest Free Trade Agreement (FTA) in the world, covering about 30% of the world's population and accounting for one-third of the global GDP. In 2020, the total trade between Hong Kong and the 15 RCEP participating economies amounted to US\$772 billion, accounting for 73% of Hong Kong's total trade.

The successful signing and implementation of RCEP is an important milestone for regional economic integration and will facilitate free and open trade and increase investment in the region, providing impetus for regional cooperation. Joining RCEP will not only facilitate Hong Kong's further integration into the regional value chain and strengthen the economic,

trade, and investment ties between Hong Kong and RCEP participating economies in the region and hence driving regional economic growth, but will also enable Hong Kong's goods and enterprises to benefit under the relevant measures in RCEP such as tariff reduction, preferential market access, removal of trade barriers and simplified customs procedures, etc. It will lower the costs of trading and bring about new business opportunities for Hong Kong's goods and enterprises in expanding their markets in the region, thereby providing a momentous drive to global economic recovery in the post-pandemic era.

As highlighted in the Chief Executive's Policy Address in November last year, Hong Kong, as a major financial and trade centre and a logistics hub of the region, coupled with our FTAs signed with 13 of the RCEP participating economies, i.e. the Mainland and Hong Kong Closer Economic Partnership Arrangement signed with Mainland China, and the respective FTAs signed with the ten member states of ASEAN, Australia and New Zealand, is well placed to join RCEP. The HKSAR Government has indicated, as early as in 2018, to individual RCEP participating economies at various levels and on various occasions our keen interest in joining RCEP. In November 2019, when the text-based negotiations were concluded, the Secretary for Commerce and Economic Development (SCED) wrote to individual RCEP participating economies reiterating Hong Kong's interest to join RCEP, and received positive responses that Hong Kong's accession to RCEP could be facilitated in accordance with the relevant provisions set out in RCEP after its entry into force. SCED wrote again to RCEP participating economies after RCEP was signed end of last year to reiterate Hong Kong's interests in joining RCEP. The HKSAR Government is actively engaging individual RCEP participating economies to expedite commencement of discussions on Hong Kong's accession in order to enable Hong Kong's accession to RCEP as soon as possible after its entry into force.

Depending on the development of the pandemic, the HKSAR Government will, in due course, brief the trade on the opportunities brought about by RCEP in deepening regional economic and trade cooperation, thereby enabling Hong Kong businesses to better seize the new business opportunities brought about by RCEP to Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)052

(Question Serial No. 0397)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To continue to support the travel industry this year, the Government has earmarked \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects. As such, when does the Government plan to open up the Sha Tau Kok Closed Area to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors?

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 4)

Reply:

After consulting the Security Bureau, our reply to the question on opening up of Sha Tau Kok Frontier Closed Area (FCA) is as follows:

The establishment of the FCA is to provide a buffer zone for law enforcement agencies to maintain the integrity of the boundary between the Hong Kong Special Administrative Region (HKSAR) and the Mainland and to combat illegal immigration, smuggling and other cross-boundary criminal activities. It has all along been the policy of the HKSAR Government to limit the coverage of the FCA to the area necessary for ensuring public order. Therefore, having balanced the security risks concerned, the HKSAR Government had already substantially reduced the land coverage of the FCA from about 2 800 hectares to about 400 hectares between 2008 and 2016.

Currently, the FCA covers only the Police's boundary patrol roads and the land to its north, boundary-crossing facilities, Sha Tau Kok Town, Starling Inlet, and parts of Mai Po. The primary considerations for retaining the above locations within the FCA are the actual environment of the area and the associated security risks. While the HKSAR Government will review the situation from time to time, it considers the current coverage of the FCA appropriate and has no plan to open up the Sha Tau Kok FCA for tourism use.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)053

(Question Serial No. 1329)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the major work of the Commerce and Economic Development Bureau is to lead and co-ordinate the work on the Belt and Road Initiative, including strategy formulation and implementation of programmes and measures with a view to seeking out Belt and Road related business opportunities. In 2021-22, does the Bureau have any plans to lead delegations to the Mainland and Belt and Road countries and make use of opportunities pursuant to the development of the Greater Bay Area in order to develop new markets for the creative industries? Which countries does the Bureau plan to visit? What is the estimated expenditure? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 10)

Reply:

The Commerce and Economic Development Bureau (CEDB) organised and participated in a number of business and professional missions before the pandemic to Belt and Road (B&R) related countries and regions, which included delegates associated with local creative industries, thereby promoting Hong Kong's unique strengths. Since the outbreak, we have been continuing with our work and organising activities online, including organising webinars jointly with Thailand, Indonesia and Malaysia respectively during June to September 2020, thereby strengthening B&R people-to-people bond and exploring new business opportunities. In 2021-22, the Government will continue with such efforts by proactively playing the role of "facilitator" and "promoter", as well as promoting Hong Kong's unique advantage under "One Country, Two Systems" and opportunities brought by the development of the Greater Bay Area. Moreover, we plan to organise Hong Kong enterprises to visit B&R related countries and regions, including the Mainland's overseas Economic and Trade Co-operation Zones (particularly those in the Association of Southeast Asian Nations member states), after the pandemic stabilises.

In 2021-22, the estimated overall expenditure of the Belt and Road Office (BRO) under the CEDB is about \$39.96 million. The above-mentioned work will be taken forward by the BRO as part of its overall efforts in promoting Hong Kong's participation in the B&R Initiative, and the manpower and expenditure involved cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)054****(Question Serial No. 1361)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Financing Guarantee Scheme, would the Government inform this Committee of the following:

- A) The number of applications approved under various Guarantee Products in each of the past 24 months and the loan amount involved.

Number of applications and amount	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
March 2019			
April 2019			
...			
February 2021			

- B) The number of companies applying for various existing Guarantee Products as well as the average, median, upper quartile and lower quartile of the loan amounts involved.
- C) The amount of credit lines used under various Guarantee Products against the Government's approved commitment as well as the number of cases with financial problems (e.g. in default or insolvency situations) and the amounts involved.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 58)

Reply:

From January 2019 to end February 2021, the application figures of guarantee products under the SME Financing Guarantee Scheme (SFGS) are as follows:

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
2019			
Number of Applications Approved	2 734	19	N/A
Total Loan Amount of Approved Cases (\$)	13.77 billion	0.04 billion	N/A
Number of Benefitted Enterprises	1 233	19	N/A
2020			
Number of Applications Approved	2 080	2 655	25 328
Total Loan Amount of Approved Cases (\$)	9.94 billion	4.88 billion	39.66 billion
Number of Benefitted Enterprises	1 088	2 553	19 575
January to end February 2021			
Number of Applications Approved	277	362	3 151
Total Loan Amount of Approved Cases (\$)	1.51 billion	0.73 billion	5.67 billion
Number of Benefitted Enterprises	142	300	1 906

Note: The 90% Guarantee Product was launched on 16 December 2019; and the Special 100% Guarantee Product was launched on 20 April 2020.

The distribution of loan amounts for approved cases of the Special 100% Guarantee Product is as follows:

Total Loan Amount of Approved Cases	Number of Applications Approved
Not more than \$2 million	20 623
More than \$2 million but not more than \$4 million	6 806
More than \$4 million but not more than \$5 million	1 050
Average loan amount of approved cases	\$1.59 million

The SFGS was launched in May 2012. After various rounds of injection, the total financial commitment has increased to \$183 billion. As at end February 2021, the total remaining financial commitment for interchangeable use between the guarantee products was \$65.63 billion. A total of 1 188 default cases were recorded, involving loan guarantee amount of \$2.589 billion.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)055

(Question Serial No. 1362)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- A) Regarding the promotion of Hong Kong as a premier intellectual property trading hub in the Asia-Pacific region, which Branch(es) under the Bureau and which Department(s) are responsible for it? What is the establishment involved?
- B) What specific measures and benchmarks has the Government adopted to define what a premier intellectual property trading hub is? In the past year and this year, what have been the actual expenditures other than emoluments and what have we spent them on?
- C) What is Hong Kong's position in terms of competitiveness when compared with other areas in the region? What are the indicators or data that reflect our competitiveness against other areas in the region?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 59)

Reply:

Under the steer of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the Intellectual Property Department (IPD) has been working closely with different stakeholders, including other government departments, public organisations (such as the Hong Kong Trade Development Council (HKTDC)) and professional bodies (such as the Law Society of Hong Kong (LSHK)), to implement various measures to promote intellectual property (IP) commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the Asia-Pacific region.

In 2015, the Working Group on IP Trading released a report with an action framework covering four strategic areas to promote Hong Kong as an IP trading hub, namely (i) enhancing the IP protection regime; (ii) supporting IP creation and exploitation; (iii) fostering IP intermediary services and manpower capacity; and (iv) pursuing promotion, education and external collaboration efforts. The latest progress of the relevant work is as follows:

- Enhancing the IP protection regime: On patent, the “Original Grant Patent” system was launched in December 2019, enabling applicants to file their standard patent applications direct in Hong Kong. On trade marks, the Legislative Council passed the Trade Marks (Amendment) Ordinance 2020 in June 2020. We are following-up on the relevant preparatory work on the implementation of the Madrid Protocol in Hong Kong. It is expected that the Madrid Protocol can be applied to Hong Kong in 2022-23 the earliest, allowing trade marks owners to apply for trade mark registrations in multiple jurisdictions through one single application. On copyright, the Copyright (Amendment) Ordinance came into effect in June 2020, facilitating access to copyright works in accessible formats for persons with a print disability in accordance with the requirements of the Marrakesh Treaty.
- Supporting IP creation and exploitation: The Inland Revenue Ordinance (IRO) has been amended. With effect from June 2018, capital expenditure incurred by enterprises for the purchase of various major types of IP rights, as well as the expenses for the registration of IP rights under applicable regimes, are tax deductible under the IRO. IPD has also continued to collaborate with LSHK to provide one-on-one free IP consultation services to small and medium enterprises (SMEs), assisting them to develop effective IP management and commercialisation strategies. Over 480 SMEs have participated in the initiative.
- Fostering IP intermediary services and manpower capacity: IPD launched the IP Manager Scheme in May 2015 and the IP Manager Scheme PLUS in October 2020, offering training courses and practical workshops to IP managers of enterprises with a view to assisting them to further integrate IP management and commercialisation into the enterprises’ overall business strategies. By the end of February 2021, more than 3 000 participants from over 1 800 SMEs have attended the training courses and workshops. The Asia IP Exchange (www.asiaipex.com), a free online portal launched by HKTDC, has also formed strategic partnerships with over 35 local research and development (R&D) centres and technology transfer units of local universities as well as organisations worldwide. Over 28 000 tradable IP listings are available at the portal.
- Promotion, education and external collaboration efforts: Hong Kong has been collaborating with IP authorities in the Mainland and overseas to promote IP trading and IP commercialisation, such as participating in conferences and seminars organised by international and regional IP organisations (e.g. World Intellectual Property Organization (WIPO) and the Asia Pacific Economic Cooperation Intellectual Property Rights Experts’ Group), and signing memorandums of understanding with other economies to foster cooperation and promote IP commercialisation. Through different cooperation frameworks, Hong Kong has also been working closely with IP authorities in the Mainland at different levels to promote IP trading under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

Hong Kong has a robust IP rights protection system, a simple and low tax regime, as well as a pool of bi-literate and tri-lingual professionals with Mainland China and international perspectives. In addition, given Hong Kong’s experience in areas such as R&D, design, trading and business services in support of industrial production, Hong Kong has many competitive advantages to develop into a regional IP trading hub. With reference to the

2020 edition of the Global Innovation Index (GII) published by WIPO, Hong Kong ranked 11th on the overall GII list, moving up two spots from 2019, and occupied the third place in the South-east Asia, East Asia and Oceania region. Hong Kong also topped the chart on particular GII innovation facets, such as venture capital, R&D, entrepreneurship, or high-tech production. Hong Kong can make full use of our competitive edges to play the role as a regional IP trading hub, helping enterprises to turn IP contents they created into economic benefits.

HKTDC held the 10th “Business IP Asia Forum” in December 2020, during which an on-line survey was conducted among the forum participants. The survey showed that 76% of the respondents would consider/continue to choose Hong Kong as a place to conduct IP trading in the coming two years, affirming Hong Kong’s position as a prime IP trading hub in Asia. Respondents considered that the low and simple tax regime, excellent geographical location, sound legal system, and a big pool of IP professionals/users were the key competitive edges of Hong Kong as an IP trading hub in Asia.

IPD’s recurrent provision has been increased by \$5.4 million as from 2018-19, so that the Department could plan for the relevant work and take forward promotion of IP trading in an on-going manner. Promotion of IP trading is part and parcel of the overall work of IPD. It is therefore difficult to quantify the resources involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)056

(Question Serial No. 1893)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has earmarked a sum of \$169 million in the Budget for use in continuing to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time. The Government will also continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors.

1. Please tabulate the details of local cultural, heritage and creative tourism projects for this financial year, as well as the relevant staffing establishment and detailed expenditure.
2. Please tabulate the events organized under the Yim Tin Tsai Arts Festival since its launch in 2019, including the number of participants, staffing establishment and detailed expenditure; as well as the work plan and implementation timetable for the coming year;
3. What are the intended hiking trails to be improved in this financial year? What are the specific facilities to be improved, commencement date, completion date, staffing establishment involved and estimated expenditure?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 64)

Reply:

The Government will allocate \$169 million to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) “City in Time” - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. • “City in Time” is a tourism project, under which TC partners with the School of Creative Media, City University of Hong Kong, to bring back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
(2) “Design District Hong Kong” (#ddHK) - New tourism projects with creative, artistic and cultural elements	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • #ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design artworks at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
(3) “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.

Initiatives	Details and Latest Progress
	<p>TC awarded a three-year contract at a price of \$20 million to a suitable curatorial organisation through open tender in early 2019. The actual total expenses incurred will be confirmed upon completion of the three-year project.</p> <ul style="list-style-type: none"> • The first event “Yim Tin Tsai Arts Festival 2019” was held from 30 November to 29 December 2019, in which a series of interactive activities including cultural ecology guided tours, salt-making workshops, themed talks, musical performances, etc. were organised. During the event period, the number of visitors and participants of related activities in Yim Tin Tsai was over 22 000, whereas the number of visitors to Visitor Centre cum Exhibition Hall and participants of activities in Sai Kung Town was over 39 000. After the event, some of the artworks showcased have become permanent exhibits for visitors’ appreciation. • The second event “Yim Tin Tsai Arts Festival (Online Edition)” has gone virtual and was held from 12 February to 11 March 2021, in which a series of online programmes, including online guided tours, Hakka teacake making workshops, arts workshops, themed talks, were organised. During the event period, the official website and online exhibition has attracted over 196 000 views; the number of participants joining online guided tours and watching online programmes has exceeded 20 000. After the event, the online exhibition will continue for visitors’ enjoyment. • TC is working with the curatorial organisation to prepare for the implementation of the third event to be launched in the second quarter of 2021.
(4) “Enhancement of Hiking Trails - Phase II”	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park),

Initiatives	Details and Latest Progress
	Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau and the relevant departments, which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)057

(Question Serial No. 1895)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The outbreak of COVID-19 has taken an unprecedented heavy toll on the travel industry and the number of visitor arrivals of Hong Kong plummeted last year. Please inform this Committee of the following:

1. The amount of financial loss of the travel industry due to the epidemic, as well as the number of closure of travel agencies and layoff of members of the trade in the past financial year;
2. Details of the Government's supportive measures for the travel industry and the expenditure involved in the past financial year;
3. The Government's strategies and promotional activities for reviving the travel industry, as well as the specific objectives, timetables, relevant staff establishment and expenditures involved in this financial year;
4. Are there any plans to work out Air Bubble Travel arrangement with other countries or cities in this financial year? What are these places, the specific work, timetables and expenditures involved?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 65)

Reply:

The COVID-19 epidemic has taken a heavy toll on Hong Kong's tourism industry. In 2020, the number of overall visitor arrivals to Hong Kong was only about 3.6 million, representing a plunge of 93.6% as compared with 55.9 million in 2019, the steepest annual decline on record. As regards the economic loss of the travel industry caused by the epidemic, the Census and Statistics Department does not have the statistics regarding the

value added and employment of the travel industry in 2020 yet, and hence we are not able to provide the information concerned. During the period of 1 April 2020 to 28 February 2021, there were 68 travel agents with licences expired without applying for renewal or revoked, but the Tourism Commission (TC) does not possess the data about the laid-off staff of the travel industry.

In response to the complete halt of the tourism industry under the epidemic, the Government has, through four rounds of the Anti-epidemic Fund (AEF), provided financial support to the tourism industry. Coupled with the other helping measures including the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme rolled out earlier, the cumulative commitment of the Government support to the tourism industry amounts to some \$2.6 billion in total. Details are as follows:

Item and description	Funding commitment (\$ million)
(1) First round of AEF	
<ul style="list-style-type: none"> • Setting up the Travel Agents Support Scheme to provide each travel agent with a subsidy of \$80,000. 	140
<ul style="list-style-type: none"> • Setting up the Licensed Guesthouses Subsidy Scheme to provide each guesthouse with a subsidy of \$50,000 or \$80,000 (depending on the number of licensed guestrooms). 	150
(2) Second round of AEF	
<ul style="list-style-type: none"> • Setting up the Travel Agents and Practitioners Support Scheme to provide each travel agent with cash subsidy ranging from \$20,000 to \$200,000 (depending on the number of its employees); and providing each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a subsidy equivalent to \$5,000 monthly for 6 months. 	1,070
<ul style="list-style-type: none"> • Setting up the Hotel Sector Support Scheme to provide each eligible hotel a one-off subsidy of \$300,000 or \$400,000 (depending on the number of guestrooms under the licence). 	
<ul style="list-style-type: none"> • Setting up the Tour Service Coach Drivers (Mainly Serving Tourists) Support Scheme to provide each tour service coach driver a one-off subsidy of \$10,000. 	
<ul style="list-style-type: none"> • Waiving the monthly fixed rent and management fees of the terminal operator of the Kai Tak Cruise Terminal. 	
<ul style="list-style-type: none"> • Providing refund to cruise lines in respect of berth deposits for cancelled ship calls during suspension of immigration service. 	
(3) Third round of AEF	
<ul style="list-style-type: none"> • Setting up the Tourism Industry Support Scheme: <ul style="list-style-type: none"> ➢ to provide each travel agent with a cash subsidy directly proportional to the number of staff members they have, using a subsidy level (i.e. \$5,000) per travel agent staff member as the basis of calculation. 	397

Item and description	Funding commitment (\$ million)
<p>Travel agent without any staff will also be getting a one-off subsidy of \$5,000;</p> <ul style="list-style-type: none"> ➤ to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a one-off subsidy of \$15,000; and ➤ to provide each tour service coach driver a one-off subsidy of \$6,700. 	
(4) Fourth round of AEF	
<ul style="list-style-type: none"> • Setting up the Tourism Industry Additional Support Scheme: <ul style="list-style-type: none"> ➤ to provide each travel agent with a cash subsidy; the subsidy level for travel agents with 10 staff members or less will be at a flat rate of \$100,000 each; the subsidy level for travel agents with 11 staff members or more will be directly proportional to the number of staff members they have, using a subsidy; ➤ to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide or tour escort a one-off subsidy of \$15,000; and ➤ to provide each tour service coach driver a one-off subsidy of \$6,700. 	564
(5) Travel Agents Incentive Scheme	
<p>To provide incentive payments for travel agents based on the number of inbound and outbound overnight travellers they served. The maximum number of eligible travellers for which incentive payments can be disbursed to a travel agent is 1 000, which includes inbound travellers (incentive payment of \$120 each) and outbound travellers (incentive payment of \$100 each).</p>	About 150
(6) Green Lifestyle Local Tour Incentive Scheme	
<p>To provide travel agents with incentive payments based on the number of green lifestyle local tour participants they serve. Each travel agent is eligible for a maximum incentive payment of \$200,000 (incentive payment of \$200 for each tour participant).</p>	100

Remark: The disbursement of special allowance for the travel trade under the Anti-epidemic Fund is outside the scope of the Appropriation Bill or the estimates of the General Revenue Account.

In 2021-22, the Government will earmark a total of \$934 million to enhance tourism resources, of which \$169 million will be allocated to TC to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and latest progress
(1) “City in Time” – Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. • “City in Time” is a tourism project, under which TC is partnering with the School of Creative Media, City University of Hong Kong, to take forward the project by using augmented reality and creative multimedia technology through mobile application to bring back to life the history of individual landmarks of Hong Kong, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
(2) “#ddHK” – New tourism projects with creative, artistic and cultural elements	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “Design District Hong Kong” (#ddHK) for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “Design District Hong Kong” (#ddHK) is a three-year creative tourism project jointly launched by TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation in 2018, which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
(3) “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.

Initiatives	Details and latest progress
(4) Enhancement of Hiking Trails - Phase II	<ul style="list-style-type: none"> The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), for taking forward the “Enhancement of Hiking Trails – Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

Apart from the above projects, the Government will also allocate \$765 million in 2021-22 to support the Hong Kong Tourism Board (HKTB) in reviving the tourism industry. HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary border travel, HKTB will continue to maintain Hong Kong’s international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong’s tourism image to capture high-yield visitor segments.

According to HKTB’s work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> Cheerleading and boosting domestic consumption (including “Holiday at Home”). Leveraging various promotional campaigns to maintain Hong Kong’s international exposure. Large-scale promotions to attract visitors when travel gradually resumes. Revamping Mainland strategy, increasing marketing 	<p style="text-align: center;">248 (32%)</p>

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
resources in the Greater Bay Area (GBA) markets, to attract leisure visitors.	
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> • Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel gradually resumes. • Partnering with other cities in GBA for global promotions to build the GBA tourism brand. • Creating a smart travel experience for visitors through a one-stop e-solution. 	333 (44%)
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> • Enhancing subsidy schemes and sponsoring trade’s participation in trade events to expedite business recovery*. • Strengthening support to MICE and Cruise tourism and their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually. • Organising mega events and supporting other events in town to maintain Hong Kong’s international exposure. 	184 (24%)
Total	765

*Related work are also included as parts of the short- and medium-to-long-term strategies.

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the pandemic situation and progress towards the resumption of international travel, and will be evaluated and adjusted appropriately according to prevailing conditions where necessary. Since the work mentioned above will be jointly undertaken by the HKTB head office and worldwide offices, the staff establishment cannot be quantified separately.

In the past year, the development of the COVID-19 epidemic has been fluctuating. Under relatively stable epidemic situations, the Government endeavours to resume cross-border travel in a gradual and orderly manner, and explored from mid-2020 the establishment of “Travel Bubbles” with overseas economies that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong (namely Japan, Korea, Thailand, Australia, New Zealand, Vietnam, Malaysia, France, Germany, Switzerland, and Singapore), while balancing the need to protect public health under the strategy of preventing the importation of cases.

Notwithstanding that the inaugural flights under the “Air Travel Bubble” (ATB) arrangement agreed with Singapore in November 2020 were deferred due to the fourth wave of the epidemic in Hong Kong, the two governments have been discussing the arrangements for re-launching ATB in view of the gradual stabilisation of Hong Kong’s epidemic situation since mid-February 2021. In addition, we have recently invited overseas economies that have better epidemic control for the time being, including Thailand, Vietnam, Australia and New Zealand, to resume exploring the establishment of “Travel Bubbles”. In any event, the Government will continue to closely monitor the epidemic development, and also consider resumption of cross-border travel with overseas economies in a gradual and orderly manner with a set of stringent anti-epidemic measures provided that the local epidemic situation remains stable and make announcement in due course. The aforesaid work is absorbed by the existing establishment and expenditure of TC, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)058

(Question Serial No. 1896)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce, Industry and Tourism Branch indicated that it will support tourism events showcasing Hong Kong's local characteristics. Will the Bureau advise this Committee of:

1. the specific work targets and implementation timetable for this financial year?
2. the details on staffing establishment and estimated expenditure for taking forward the work concerned;
3. whether practitioners from tourism-related sector will be hired additionally to implement the work involved, and if so, what are the details?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 66)

Reply:

With the additional funding granted since the 2017-18 Budget, the Hong Kong Tourism Board (HKTB) has been implementing the Pilot Scheme for Characteristic Local Tourism Events to provide funding support to registered non-profit-making organisations for staging events showcasing local characteristics with the potential to become attractive events with tourism appeal. The scheme was rolled out in January 2018 and will continue to be implemented in 2021-22.

During 2021-22, the Commerce, Industry and Tourism Branch (CITB) will continue to monitor the status of the scheme implemented by HKTB (e.g. the application process and application numbers); monitor the approval process and participate in the assessment of the applications; monitor the spending position of the scheme; and discuss with HKTB on ways to further enhance the effectiveness of the scheme, etc. The work will be implemented with existing manpower. It has been subsumed under the overall estimated expenditure and staff establishment of the CITB, which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)059

(Question Serial No. 1821)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2021-22 that the Commerce, Industry and Tourism Branch will continue to explore travel bubble arrangement with overseas economies to facilitate the resumption of cross-border travel in a gradual and orderly manner with health precautionary measures. What are the estimates for such work and the progress?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 39)

Reply:

In the past year, the development of the COVID-19 epidemic has been fluctuating. Under relatively stable epidemic situations, the Government endeavours to resume cross-border travel in a gradual and orderly manner, and explored from mid-2020 the establishment of "Travel Bubbles" with overseas economies that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong (namely Japan, Korea, Thailand, Australia, New Zealand, Vietnam, Malaysia, France, Germany, Switzerland, and Singapore), while balancing the need to protect public health under the strategy of preventing the importation of cases.

Notwithstanding that the inaugural flights under the "Air Travel Bubble" (ATB) arrangement agreed with Singapore in November 2020 were deferred due to the fourth wave of the epidemic in Hong Kong, the two governments have been discussing the arrangements for re-launching ATB in view of the gradual stabilisation of Hong Kong's epidemic situation since mid-February 2021. In addition, we have recently invited overseas economies that have better epidemic control for the time being, including Thailand, Vietnam, Australia and New Zealand, to resume exploring the establishment of "Travel Bubbles". In any event, the Government will continue to closely monitor the epidemic development, and also consider resumption of cross-border travel with overseas economies in a gradual and orderly manner with a set of stringent anti-epidemic measures provided that

the local epidemic situation remains stable and make announcement in due course. The aforesaid work is absorbed by the existing establishment and expenditure of the Tourism Commission, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)060****(Question Serial No. 1874)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget has earmarked \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time, and to continue to improve the facilities along hiking trails to develop more green tourism resources with a view to offering leisure and travel experience with rich historical and cultural elements to both locals and visitors. Please provide the details, expenditures and progress of the plans to enhance tourism resources.

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 66)

Reply:

The Government will allocate \$169 million to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) "City in Time" - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of "City in Time" for three years to offer "now and then" experiences to visitors in more locations. "City in Time" is a tourism project, under which TC is partnering with the School of Creative Media, City University of Hong Kong, to take forward the project by using augmented reality and creative multimedia technology through mobile application to bring back to life the history

Initiatives	Details and Latest Progress
	<p>of individual landmarks of Hong Kong, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.</p>
<p>(2) “Design District Hong Kong” (#ddHK) – New tourism projects with creative, artistic and cultural elements</p>	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “#ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
<p>(3) “Yim Tin Tsai Arts Festival”</p>	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
<p>(4) Enhancement of Hiking Trails - Phase II</p>	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk

Initiatives	Details and Latest Progress
	<p>(Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).</p>

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)061

(Question Serial No. 1875)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Government will discuss and work out arrangements regarding Air Travel Bubble with places that have close economic and trade relations with Hong Kong and where the epidemic situation is relatively stable. Will the Government inform this Committee of the places with which discussions have been held, as well as the progress? How many of them have reached agreement with the Government?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 67)

Reply:

In the past year, the development of the COVID-19 epidemic has been fluctuating. Under relatively stable epidemic situations, the Government endeavours to resume cross-border travel in a gradual and orderly manner, and explored from mid-2020 the establishment of "Travel Bubbles" with overseas economies that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong (namely Japan, Korea, Thailand, Australia, New Zealand, Vietnam, Malaysia, France, Germany, Switzerland, and Singapore), while balancing the need to protect public health under the strategy of preventing the importation of cases.

Notwithstanding that the inaugural flights under the "Air Travel Bubble" (ATB) arrangement agreed with Singapore in November 2020 were deferred due to the fourth wave of the epidemic in Hong Kong, the two governments have been discussing the arrangements for re-launching ATB in view of the gradual stabilisation of Hong Kong's epidemic situation since mid-February 2021. In addition, we have recently invited overseas economies that have better epidemic control for the time being, including Thailand, Vietnam, Australia and New Zealand, to resume exploring the establishment of "Travel Bubbles". In any event, the Government will continue to closely monitor the epidemic development, and also consider resumption of cross-border travel with overseas economies

in a gradual and orderly manner with a set of stringent anti-epidemic measures provided that the local epidemic situation remains stable and make announcement in due course.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)062

(Question Serial No. 0580)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The aims of Programme (2) Commerce and Industry include supporting our businesses in seizing the opportunities created by the Mainland and Hong Kong Closer Economic Partnership Arrangement, particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Belt and Road Initiative. In addition, it is stated in paragraph 61 of the Budget speech that “leveraging our close proximity, Hong Kong can make use of the GBA development as an entry point, participating actively in the development of our country’s domestic circulation for capturing the enormous business opportunities”. It is also stated in paragraph 52 of the Budget speech that “once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the GBA from various perspectives such as finance, innovation and technology, culture and creativity and tourism. InvestHK and our overseas offices will step up their efforts in this area.” In this connection, please inform this Committee of the following:

1. The reasons for the significant increase of 654.3% in the revised estimate of the provision for Programme (2) in 2020-21 on the original estimate.
2. The estimated provision for Programme (2) in 2021-22 is 54.3% higher than the revised estimate for 2020-21. It is stated in “Analysis of Financial and Staffing Provision” that this is mainly due to the increased estimate for the subscription to the World Trade Organization and the increased cash flow requirement for the SME Financing Guarantee Scheme-Guarantee Products. Apart from that, is the additional provision related to enhancing the support for Hong Kong businesses in seizing the opportunities from the GBA, the development of our country’s domestic circulation or the Belt and Road Initiative? If it is, please provide the respective details.
3. What are the estimated provisions for 2021-22 for encouraging and supporting Hong Kong businesses in seizing the opportunities from the GBA, the development of our country’s domestic circulation or the Belt and Road Initiative and the details involved? What are the expenditure of the overseas offices in this regard and the details involved?

Reply:

There was an increase of the provision of \$3.5007 billion (+654.3%) in the 2020-21 revised estimate over the original estimate under Programme (2), mainly because the Government has launched the new Special 100% Guarantee Product to provide low-interest loans for enterprises, and introduced a maximum 3% interest subsidy for loans guaranteed under the 80% and 90% Guarantee Products for one year. The Government therefore needs to set aside funding for paying originating and servicing fees to banks for the Special 100% Guarantee Product, and for covering the defaults that might occur and the expenditure for paying interest subsidy.

Funding has been included in the 2021-22 estimate for enhancing the support for Hong Kong businesses to seize the opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), development of the national domestic circulation and the Belt and Road Initiative (B&RI), with the details below:

- The Professional Services Advancement Support Scheme (PASS) provides funding support for exchange and promotion projects, etc. by professional services sectors in Hong Kong, the Mainland and overseas, and encourages Hong Kong's professional services sectors to step up promotion of Hong Kong's competitive edges and professional services to the Mainland cities of the GBA and overseas markets after the pandemic has stabilised. To this end, as announced in the 2020 Policy Address, a funding of \$50 million has been set aside under PASS to subsidise Hong Kong's major professional bodies' participation in relevant activities organised by the Government, the Hong Kong Trade Development Council (HKTDC) and overseas Hong Kong Economic and Trade Offices (ETOs). The overall estimated expenditure for PASS in 2021-22 is \$20 million.
- To assist Hong Kong enterprises especially small and medium enterprises in leveraging on the business opportunities brought about by the national domestic circulation development strategy to explore the domestic market in the Mainland, we will continue to participate actively in the fourth China International Import Expo (CIIE), to be held in Shanghai in November 2021, to showcase and promote Hong Kong's quality products and professional services. The estimated expenditure for co-ordinating HKSAR's participation in CIIE in 2021-22 is about \$13.1 million.
- The Belt and Road Office (BRO) will continue to proactively pursue and support our businesses in seizing the opportunities brought by the B&RI. For 2021-22, the estimated overall expenditure of the BRO is about \$39.96 million.

Apart from the above, in 2021-22, HKTDC will continue to promote and support Hong Kong's commercial and industrial sectors to seize opportunities arising from the GBA, development of the national domestic circulation and the B&RI. Amongst others, HKTDC will launch a one-stop support platform called "GoGBA" and set up a "HKTDC GBA Centre" in Shenzhen to provide information and useful tools to complement its other support and consultation services, seminars and trainings, as well as field trips, in order to

help enterprises explore opportunities and obtain practical experience in the GBA as the entry point for further expansion into other Mainland markets. The expenditure of the above work has been subsumed under the overall estimated expenditure of HKTDC under Programme (3), and cannot be quantified separately.

The ETOs actively strengthen relations with overseas governments and business communities to promote Hong Kong's unique advantages under "One Country, Two Systems" and the immense business opportunities arising from Hong Kong's participation in the B&RI and the GBA development, encouraging overseas investors and enterprises to leverage Hong Kong as the platform for entering the Mainland market. Before the outbreak of the pandemic, the ETOs hosted and participated in various types of physical events such as major conferences, seminars and outreach activities and organised overseas visits for senior officials, etc., to update their interlocutors on Hong Kong's latest developments and advantages on various fronts to encourage them to conduct business and invest in Hong Kong. While the epidemic outbreak in the places where the ETOs are located has affected overseas promotion work, the ETOs have continued to proactively reach out to their interlocutors through various channels, including organising and participating in webinars to directly engage overseas stakeholders from various sectors. From June 2020 to end February 2021, the ETOs organised around 20 webinars for the Chief Executive and Principal Officials to directly engage overseas audiences, providing them with the latest updates on Hong Kong and promoting Hong Kong's developments on various fronts. The ETOs will continue to actively promote to overseas communities Hong Kong's unique status in the B&RI and GBA development, encouraging enterprises to seize the opportunities by making use of Hong Kong as the platform to develop business opportunities in the Mainland as well as in Asia. As the relevant work is a part of the overall work of the ETOs, with the expenditure subsumed under the overall estimated expenditure in Head 96, it cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)063

(Question Serial No. 0584)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the matters requiring special attention of the Branch in 2021-22 under this programme is to continue to implement the Professional Services Advancement Support Scheme (PASS) to provide funding support for non-profit-making industry-led projects undertaken by non-profit distributing organisations, including setting aside \$50 million under PASS to subsidise major professional bodies to step up the promotion of Hong Kong's competitive edges and professional services to the Mainland cities of the Greater Bay Area (GBA) and overseas markets after the pandemic has stabilised. In this connection, please advise this Committee on:

1. out of this sum of \$50 million, the amounts expected to be used on the promotion of Hong Kong's professional services to the Mainland cities of the GBA and overseas markets respectively and their proportions; and
2. details of the projects funded by PASS in the past 3 years for promoting Hong Kong's professional services to the Mainland cities of the GBA and overseas markets, including locations and contents of the projects, the types of professional services involved and the relevant expenditures.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 34)

Reply:

To encourage Hong Kong professional services sectors to step up promotion of Hong Kong's competitive edges and professional services to the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and overseas markets after the pandemic has stabilised, \$50 million has been set aside under the Professional Services Advancement Support Scheme (PASS) to subsidise major professional bodies' participation in relevant activities organised by the Government, Hong Kong Trade Development Council and overseas Hong Kong Economic and Trade Offices. The level of subsidies provided to

individual activities under the new funding arrangement will be determined based on the latter's details. We have not set any specified funding proportion based on the locations of the projects.

Amongst the projects funded under PASS in the past three years (i.e. 2018 to 2020), 13 involved promoting Hong Kong's professional services in the GBA Mainland cities and/or overseas markets. Details are set out in the Appendix.

- End -

Professional Services Advancement Support Scheme

**Projects for Promoting Hong Kong's Professional Services in the
Mainland Cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)
and/or Overseas Markets
(2018 to 2020)**

	Sector	Project Title	Grantee	PASS Grant (HK\$)	Project Deliverables	Commencement Date
1.	Legal services	Mediation Development Programme for the Belt and Road (Cambodia, Vietnam and Malaysia)	Hong Kong Arbitration Society	741,000	<ul style="list-style-type: none"> • Produce a Mediation Practice Manual for Hong Kong • Organise three workshops in Hong Kong • Organise three seminars in Cambodia, Vietnam and Malaysia • Organise six exchange meetings in Cambodia, Vietnam and Malaysia 	1 January 2018
2.	Legal services	Belt and Road Conference 2018 – Smart Lawyers and Artificial Intelligence Building a Smart Belt and Road	The Law Society of Hong Kong	1,010,000	<ul style="list-style-type: none"> • Organise a conference in Hong Kong • Organise a visit to a GBA Mainland city • Conduct a survey on use of artificial intelligence in legal markets 	1 January 2018
3.	Legal services	Elevating Professional Standards of Mediators, Reaching Out to the Greater Bay Area	Hong Kong Institute of Mediation Limited	280,000	<ul style="list-style-type: none"> • Organise an exchange meeting in Hong Kong • Organise two workshops in Hong Kong • Organise a visit to Guangzhou 	1 October 2019
4.	Building and construction - related services	Promote Land Surveying Technological Services to Belt and Road Countries – Mainland China, Pakistan, Kazakhstan and Sri Lanka	The Hong Kong Institute of Surveyors	1,739,000	<ul style="list-style-type: none"> • Organise four exhibitions cum visits to the Mainland China, Pakistan, Kazakhstan and Sri Lanka • Produce summaries and/or translate surveying laws and regulations of the Mainland China, Pakistan, Kazakhstan and Sri Lanka • Organise a conference in Hong Kong • Organise three workshops in Hong Kong 	1 April 2018

	Sector	Project Title	Grantee	PASS Grant (HK\$)	Project Deliverables	Commencement Date
5.	Building and construction - related services	Overseas Knowledge Exchange Programme on Belt and Road Initiative for Engineering Professionals – the Experience of Sri Lanka’s Engineering Development	The Hong Kong Institution of Engineers	218,000	<ul style="list-style-type: none"> Organise a visit to Sri Lanka Organise two seminars in Hong Kong 	8 June 2018
6.	Building and construction - related services	Standardisation of Soft Landscape Planting Materials Specification for Guangdong Province and Hong Kong	The Hong Kong Institute of Landscape Architects	825,000	<ul style="list-style-type: none"> Organise two conferences in Guangdong and Hong Kong Produce a standardised specification for soft landscape planting materials Organise two seminars in Guangdong and Hong Kong 	1 September 2018
7.	Building and construction - related services	Advancing Hong Kong’s Building and Construction Professional Development on Green and Sustainable Procurement	Hong Kong Green Building Council Limited	286,000	<ul style="list-style-type: none"> Organise a conference in Hong Kong Organise a visit to London and Vienna 	1 October 2019
8.	Health-related services	To Promote Hong Kong’s Speech Therapy Services in Greater Bay Area	The Hong Kong Polytechnic University	457,000	<ul style="list-style-type: none"> Organise 20 seminars in GBA cities Conduct 20 case demonstrative consultations in GBA cities Organise a conference in Hong Kong 	1 July 2019
9.	Information and communications technology services	Outreaching Program for Game Developers in Hong Kong	Hong Kong Game Industry Association Limited	452,000	<ul style="list-style-type: none"> Organise an exhibition in the United States of America Produce a report on project outcome 	1 April 2018
10.	Design services	Professional Enhancement and Professional Exchange Programme in Thailand for Interior Designers	Interior Design Association (HK) Limited	1,401,000	<ul style="list-style-type: none"> Produce two Continuing Professional Development modules Organise two workshops in Hong Kong Organise a focus group consultation seminar in Hong Kong Organise an exhibition cum visit to Thailand Organise three workshops in Hong Kong Produce a report on project outcome 	1 April 2018

	Sector	Project Title	Grantee	PASS Grant (HK\$)	Project Deliverables	Commencement Date
11.	Design services	Hong Kong Young Fashion Profession in London	Design Renaissance Foundation Limited	2,775,000	<ul style="list-style-type: none"> • Organise a fashion exhibition in the United Kingdom • Organise a catwalk in the United Kingdom • Produce a booklet featuring the work of Hong Kong fashion designers • Produce a set of photography and videography on the whole project 	1 April 2019
12.	Cross-sector	Promotion of the Advantages of Hong Kong's Professional Services and Strengthening Exchanges and Cooperation with the Belt and Road Enterprises and Chinese Entrepreneurs	The Chinese General Chamber of Commerce	1,339,000	<ul style="list-style-type: none"> • Organise a forum cum visit to France • Organise a forum in Hong Kong 	1 June 2018
13.	Cross-sector	Step to Global Green Finance Hub – Establishment of Green Finance Professional Network and Outreaching Programme	Hong Kong Quality Assurance Agency	268,000	<ul style="list-style-type: none"> • Organise visits to Guangzhou and Shenzhen • Organise four seminars in Hong Kong • Produce a report on project outcome 	1 April 2019

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0585)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (3) - Subvention: Hong Kong Trade Development Council (HKTDC), one of the matters requiring special attention in 2021–22 is helping Hong Kong and international businesses capitalise on the promising opportunities offered by the steady recovery of the Mainland from the pandemic, with Greater Bay Area (GBA) development as the central theme. Also, it is mentioned in paragraph 42 of the Budget Speech that the HKTDC will promote Hong Kong's strengths in the development of GBA and in healthcare products and services. In this connection, will the Government inform this Committee of:

1. details of the HKTDC's promotion programmes in 2020–21 with GBA development as the central theme, including details and locations of the events as well as the estimated expenditure involved; and
2. details of events funded by the HKTDC in the past 3 years for promoting Hong Kong in the development of GBA, including details and locations of the events as well as the expenditures involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 35)

Reply:

Over the past few years, the Hong Kong Trade Development Council (TDC) has endeavoured to help Hong Kong enterprises enter the Mainland market. In 2020-21, TDC worked in earnest to help Hong Kong enterprises promote local products and services. For example, TDC set up Hong Kong Pavilions in large-scale fairs in major Mainland cities to increase exposure of Hong Kong enterprises on the Mainland market, and helped small and medium enterprises (SMEs) in Hong Kong to market local products through online and offline channels. TDC also promoted the opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) through different events, including exploring GBA-related opportunities in the fifth "Belt and Road Summit",

introducing thematic seminar on the GBA in the “Asian Financial Forum”, and supporting SMEs enter the GBA market using digital platforms.

Furthermore, to assist Hong Kong companies expand into the Mainland domestic market, especially the huge GBA market, besides the physical and online outlets of its “Design Gallery” in the Mainland, TDC will also launch a one-stop “ConsignEasy” service to help companies tackle logistics, warehousing, taxation and other matters related to selling in the Mainland. To strengthen promotion, TDC will organise online marketing campaigns to promote Hong Kong brands and products, as well as set up Hong Kong Pavilions and organise participation of Hong Kong companies at major Mainland exhibitions (such as “China International Import Expo” and “China-ASEAN Expo”).

In the last three years (2018-19 to 2020-21), TDC respectively organised 79, 84 and 94 trade promotion events in the nine GBA cities on the Mainland, including physical and online exhibitions, seminars, networking activities, business visits, etc.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)065

(Question Serial No. 1257)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Matters Requiring Special Attention in 2021-22 include continuing to collaborate with various departments, agencies and stakeholders to formulate external promotion strategies in preparation for launching overseas promotional campaigns to bolster Hong Kong's international image when the pandemic is under control. Please inform this Committee of the following:

1. the details of manpower and financial resources required for the promotional campaigns;
2. the details of the collaborated stakeholders apart from government departments and agencies, and the selection criteria if private sectors/enterprises are involved;
3. the details of major overseas places for launching promotional campaigns and the justifications for selecting such places;
4. the external promotion strategies formulated to address the concerns arising from the social incidents in 2019 and the implementation of the National Security Law?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 53)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the "new normal", the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong's developments, and strengthen the promotion on the successful implementation of "One Country, Two Systems" and Hong Kong's advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, and organising and participating in webinars, etc., to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts, as well as rectify misunderstandings on various issues. In particular, the ETOs organised webinars for the Chief Executive and principal officials to directly engage overseas stakeholders such as think-tanks, academic institutions, and business organisations, and to explain to them Hong Kong's situation regarding various issues including the decision by the Central People's Government to enact the National Security Law (NSL), postponement of the Legislative Council election by one year, and disqualification of Legislative Council Members, etc., emphasising that the NSL will maintain political and social stability in Hong Kong, and is conducive to maintaining a beneficial business environment in the long-run, without adversely affecting the basic rights and freedoms lawfully enjoyed by Hong Kong residents. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials. In particular, the Chief Executive engaged in an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe, highlighting Hong Kong's unique advantages for doing business and sharing prospects for overseas firms establishing in Hong Kong, as well as addressing the European business community's concerns on the implementation of NSL in Hong Kong. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The ETOs have also issued articles and responded to reports on the subjects in a number of local media to dispel misconceptions. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the new normal to strengthen exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of

the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

When the pandemic stabilises, the ETOs, ISD, Invest Hong Kong, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong. As the relevant work is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau as well as the ETOs, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)066

(Question Serial No. 1258)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In response to rising international protectionism, the Commerce, Industry and Tourism Branch's main responsibilities under this programme include promoting and safeguarding 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). It is also stated in the document that provision for 2021-22 is \$2,190.2 million (54.3%) higher than the revised estimate for 2020-21. This is mainly due to the increased estimate for the subscription to the WTO and the increased cash flow requirement for the SFGS – Guarantee Products.

Please advise this Committee on:

1. the reason for and the amount of the increase in the subscription to the WTO;
2. the details of the impact on market access of Hong Kong's goods and services in 2020-21 caused by the unilateral trade measures imposed on Hong Kong by the United States government;
3. the details of the manpower and expenditure involved in handling trade disputes with the United States through the WTO's Dispute Settlement System;
4. the measures to be taken by the Government to promote multilateral trade and the related details of manpower and expenditure involved in 2021-22.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 54)

Reply:

Hong Kong participates actively in the work of the World Trade Organization (WTO), and staunchly contributes to multilateral efforts in promoting trade liberalisation as well as greater predictability and transparency in global trade rules.

The amount of annual subscription to the WTO by its Members is determined by individual Members' share of international trade. The Commerce and Economic Development Bureau has reserved \$49.36 million for Hong Kong's subscription to the WTO in 2021-22, representing an increase of \$4.53 million compared to \$44.83 million in 2020-21. The amount is estimated on the basis of Hong Kong's share of international trade over the past few years and making provision for increase in the exchange rate. The actual subscription amount in 2021-22 will be determined by Hong Kong's share of international trade to be announced by the end of this year and the exchange rate then.

According to the new requirement of the United States Customs and Border Protection (USCBP) implemented since November 2020, all imported goods produced in Hong Kong may no longer be marked to indicate "Hong Kong" as their origin, but must be marked to indicate "China". The United States' (US) unilateral and irresponsible attempt to, through the new requirement, weaken Hong Kong's status as a separate customs territory, which is conferred by our motherland through the Basic Law under "One Country, Two Systems", is barbaric. Such a move also confuses the market and undermines the rules-based multilateral trading system, and is inconsistent with a number of rules of the WTO and damages Hong Kong's interests as a WTO member. The Hong Kong Special Administrative Region (HKSAR) Government formally took issue with the US Government as early as in September 2020, before the new requirement came into force. The Secretary for Commerce and Economic Development wrote to the US Trade Representative expressing the HKSAR Government's strong objection and the request that the requirement be immediately withdrawn. After that, the HKSAR Government also conducted bilateral consultations with the US in the spirit of the WTO. However, the US did not make any substantive or satisfactory response to our request and did not withdraw the requirement. In view of the US' disappointing response, the Government formally launched procedures in accordance with the WTO Dispute Settlement Mechanism on 30 October 2020 to take action against the US on the WTO level. At Hong Kong's request, the Dispute Settlement Body established a panel to consider the dispute at its meeting on 22 February 2021.

According to the clarifications by the USCBP, the new requirement only applies to the origin marking requirement of products, while other requirements on merchandise trade (such as entry summary procedures, assessment of duties, statistics compilation on merchandise trade, etc.) will not be affected. In other words, imports from Hong Kong and Mainland China will continue to be handled separately. In 2020, export of products made in Hong Kong to the US amounted to \$4.9 billion, accounting for around 0.1% of Hong Kong's total export. Therefore, the actual impact of the US' new requirement on Hong Kong trade is limited. Exports of Hong Kong to economies other than the US are not affected by the US' requirement. Despite that, the HKSAR Government will continue to do its utmost to safeguard Hong Kong's legitimate interests and follow up on the matter through the WTO Dispute Settlement Mechanism.

The manpower and expenditure for taking forward the above work, including following up the dispute case under the WTO Dispute Settlement Mechanism and promoting multilateral trade in the WTO, have been subsumed under the overall establishment and estimated expenditure of the Commerce, Industry and Tourism Branch and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)067

(Question Serial No. 1259)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget that a total of \$375 million will be allocated to the Hong Kong Trade Development Council (TDC) in 3 years for the development of virtual event platform, virtual business matching platform and related development/enhancement of related in-house systems. The provision for 2021-22 is \$101 million.

Please advise this Committee on the following:

- (1) the manpower and salary provision involved for the projects;
- (2) are outsourcing or employment of contract staff involved in project development? If yes, what are the details and the outsourcing criteria?
- (3) the numbers of online exhibitions, seminars held by the TDC and their participants, as well as the outcomes of the exhibitions in 2020-21 as large-scale physical exhibitions were postponed or the exhibitions were held online to avoid crowd gathering in light of social distancing requirements amid the epidemic;
- (4) The TDC said that market acceptability to virtual events has greatly enhanced as compared to the previous year, and both physical and virtual exhibitions will be held in parallel even the epidemic will subside in future. As such, what are the details of the events to be held on the virtual event platform and virtual business matching platform in 2021-22?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 56)

Reply:

Under the epidemic, to help local small and medium enterprises (SMEs) foster connections with enterprises worldwide while staying indoor, the Hong Kong Trade Development Council (TDC) organised a number of virtual exhibitions in 2020-21 to connect buyers and suppliers around the world, help unlock opportunities and explore overseas markets. TDC

launched the first Spring Virtual Expo in April 2020 with strengthened business matching. Following its success, TDC launched virtual expos in July and November 2020, which respectively gathered over 1 300 and 2 600 exhibitors as well as attracted participation of over 13 000 and 27 000 buyers respectively from around the world. TDC also organised its flagship conventions such as the Belt and Road Summit, Asian Financial Forum and Asian Logistics, Maritime and Aviation Conference on virtual platforms, providing an avenue for stakeholders worldwide to share and exchange views amidst the epidemic.

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to TDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms. TDC will enhance its capability to organise online activities in order to provide a seamless event experience for users (e.g. enhancing instant interaction functions, using artificial intelligence to help users conduct year-round business matching). At the same time, TDC will proceed with digitalisation to enhance its overall service efficiency and quality, as well as upgrade its online service system to facilitate service users and provide personalised market analysis. TDC will also strengthen big data analysis to help forecast future business trends, and provide to SMEs services that are more effective, more diversified and better suit their needs.

TDC is proceeding with initial preparatory work in this regard, and will consider the need to engage information technology service providers to take forward the relevant work together with existing staff. The launch date of the virtual platform is yet to be confirmed.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)068

(Question Serial No. 1260)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Matters Requiring Special Attention in 2021-22 that the Hong Kong Trade Development Council will promote Hong Kong as an investment hub for the healthcare sector.

Please inform this Committee of:

1. the details of manpower, salaries and estimated expenditure involved in promoting Hong Kong as an investment hub for the healthcare sector;
2. the current data regarding Hong Kong as an investment hub for the healthcare sector;
3. the measures for promoting Hong Kong as an investment hub for the healthcare sector in 2021-22.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 57)

Reply:

The COVID-19 epidemic has heightened the world's awareness of the importance of innovation and investment in the healthcare sector. At the same time, changing demographics, rising income level and technology penetration in Asia over the past years have brought huge investment potential to the healthcare sector. According to information from the Hong Kong Exchanges and Clearing Limited, 23 healthcare companies completed their initial public offering in Hong Kong in 2020, raising a total of HK\$98 billion.

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention to the Hong Kong Trade Development Council (TDC), including \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and promote Hong Kong's healthcare products and services.

Regarding the promotion of Hong Kong's healthcare products and services, to help relevant companies grasp opportunities, TDC will stage an inaugural "Asia Summit on Global Health", bringing together business and political leaders and investors in biotechnology, life sciences, healthcare infrastructure and related fields, to explore new trends in the healthcare industry; promote the advantages of Hong Kong's healthcare products and services; foster investment and unlock market opportunities; and promote Hong Kong as the healthcare innovation and investment hub in Asia. TDC will also add dedicated zones on biotechnology and anti-epidemic innovations in the "Hong Kong International Medical and Healthcare Fair", as well as promote Hong Kong's biomedical and healthcare innovations at its local and major international events, in order to showcase Hong Kong's strengths, foster investment, and provide a platform for local small and medium enterprises in the healthcare sector to expand businesses.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)069

(Question Serial No. 1261)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the Matters Requiring Special Attention in 2021-22 is collaboration with the Hong Kong Design Centre to plan for another phase of the creative tourism project “Design District Hong Kong”. Launched in 2019, the 3-year creative tourism project aims to connect local creative groups and the community in a joint effort to establish Wan Chai and Sham Shui Po as creative neighbourhoods that present authentic experiences to tourists and locals, blending local history, cultures and district characteristics. Hong Kong Comics & Animation Federation is the strategic partner in promoting activities and works related to local comics in the second year of the project.

Please inform this Committee of:

- (i) the manpower and expenditure involved in the creative tourism project “Design District Hong Kong”;
- (ii) the details of the exhibitions planned for launching under the project in 2021-22 and their collaboration partners; and
- (iii) whether the creative tourism project “Design District Hong Kong” will be promoted to locals and tourists. If yes, what are the promotion activities?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 58)

Reply:

“Design District Hong Kong” is a three-year creative tourism project jointly launched by the Tourism Commission (TC), the Hong Kong Design Centre (HKDC) and the Hong Kong Comics & Animation Federation in 2018, which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway

Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives. This phase of the project will be completed by mid-2021. HKDC is in charge of the implementation and promotion for the project, and has used different channels to promote it to locals and visitors since the launch in 2018, including online and offline channels targeting at different types of potential visitors.

The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “Design District Hong Kong” for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. The new phase of “Design District Hong Kong” is still under preparation, and the organiser and details have yet to be identified and confirmed. The work related to this project is absorbed by the existing establishment of TC, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)070

(Question Serial No. 1262)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work in 2021-22 includes continuing to monitor the implementation of the pilot scheme on food trucks during the extension period and completing a review.

The pilot scheme on food trucks was launched in 2017. It was decided in October 2020 that the scheme would be extended again for another year to 2 February 2022. Out of the 15 food trucks, only 3 were still in operation in February this year.

Please inform this Committee of:

- (1) the manpower and expenditure involved in the review of the pilot scheme on food trucks; and
- (2) whether measures supporting the operation of food trucks will be introduced in 2021-22 given that most operating venues remained closed and food trucks were unable to maintain normal operation in 2020-21 amid the COVID-19 pandemic. If yes, what are the details?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 59)

Reply:

The Food Truck Office under the Tourism Commission (TC) continues to provide support to the Food Truck Pilot Scheme (the Scheme) in 2021-22. The Food Truck Office is comprised of one Senior Executive Officer, one Health Inspector and one Executive Assistant employed on non-civil servant contract. The Government has earmarked \$3.69 million (including operating and personnel-related expenses) in 2021-22 for continuing to oversee the Scheme. The manpower and expenditure on the evaluation of the Scheme have subsumed within the establishment and provision of the Food Truck Office which cannot be quantified separately.

Starting from February 2021, the operating venues which were closed for a long time last year have reopened successively for food truck to resume operation. At the same time, the 75% rental concession offered by the government for food trucks operating at its venues will be extended to September 2021; the 20% and 30% rental concession offered by Hong Kong Disneyland and Ocean Park have been extended to March and June 2021 respectively. TC will continue to maintain communication with food truck operators to facilitate their operation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)071

(Question Serial No. 1263)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the Matters Requiring Special Attention in 2021-22 is the package of measures to be taken by the Hong Kong Tourism Board (HKTB) to support the recovery of the tourism industry during and after the pandemic, including to:

- (1) continue with the “Holiday at Home” campaign as a platform to encourage domestic consumption and support the tourism industry before the resumption of travel, while sending a positive message to source markets and building up visitors’ confidence in choosing Hong Kong as a preferred destination when travel resumes; and
- (2) raise Hong Kong’s profile and exposure in source markets, in preparation for relaunch and rebuilding Hong Kong as a leading international destination when markets reopen by, among others:
 - (a) using new virtual and augmented reality technologies to develop immersive videos and content in diverse formats to drive engagement, and capitalising on digital and social media channels to expand the reach of promotions; and
 - (b) mobilising friends and fans of Hong Kong as a medium for global promotions by circulating positive word-of-mouth testimonials and personal stories.

Please advise this Committee on the following:

- (1) What are the manpower and expenditure involved in these 2 measures?
- (2) Given that upon implementation of the National Security Law, some countries have updated their travel alert for Hong Kong from “exercise increased caution” up to “reconsider travel” or urged their citizens to be mindful of what they say to avoid breaking the law, will the HKTB formulate a publicity strategy? If so, what are the details?

- (3) As stated in the 2020-21 Estimates, one of the HKTB's promotional activities was mobilising local community, expatriates, friends and fans of Hong Kong to gradually generate word-of-mouth and trustworthy testimonials. How many people were mobilised in that year and what results were achieved?
- (4) Regarding friends and fans of Hong Kong selected to be mobilised in 2021-22, what are their places of origin and number, the selection criteria as well as the expected results?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 60)

Reply:

In 2020-21, the Hong Kong Tourism Board (HKTB) mobilised local community, expatriates, and friends and fans of Hong Kong to gradually generate word-of-mouth and trustworthy testimonials. HKTB launched the “#MissYouToo” community promotional campaign in April 2020. The campaign invited representatives from the local tourism industry and Hong Kong celebrities to engage with international audiences on social media platforms, using their networks to express a sincere wish to see visitors returning to the city.

A number of source markets also responded to the promotion. For instance, HKTB offices in southeast Asia launched a “100 Reasons to Miss Hong Kong” online campaign in July 2020, inviting influencers in those markets to explain on their social media platforms why they missed Hong Kong. The South Korean office also published a “Hello Hong Kong! drawing book” in September, which featured illustrations of symbolic Hong Kong icons by popular illustrators. The drawing books were distributed to celebrities and influencers, who then coloured the illustrations and shared their work with their online audiences. Besides, the Taiwanese office sent trade partners scented postcards with fragrance of iconic cha chaan teng treats, including pineapple bun with butter and milk tea, to evoke food memories of Hong Kong. The promotional campaign, with participation of some 800 trade practitioners, key opinion leaders, celebrities, columnists etc. from Hong Kong and source markets, successfully reached over 70 million audience globally.

In 2021-22, before inbound travel resumes, HKTB will continue to leverage the “Holiday at Home” platform for local promotions to boost consumption and rebuild the local atmosphere, while delivering a positive message about Hong Kong to source markets to prepare for tourism recovery. HKTB will continue to identify numerous offers from travel, dining and retail trades and leverage the “Holiday at Home” platform for promotions, as well as organise “Spend-to-Redeem Free Tour” and “Staycation Delights”. In 2021-22, HKTB's estimated marketing budget and expenditure for the “Holiday at Home” campaign is \$47.4 million.

Besides, HKTB will continue to roll out various promotional campaigns to maintain Hong Kong's international exposure in preparation for the reopening of the tourism market. These initiatives include:

- HKTB believes that the first to return to Hong Kong upon the resumption of travel will be those who have previously visited Hong Kong and those who have a special love for the city. Therefore, HKTB has invited expatriates as well as friends and fans of Hong

Kong from 20 source markets worldwide to become “Hong Kong Super Fans”. They are mainly influencers and key opinion leaders. HKTB will share updates about Hong Kong with them and continuously disperse these messages to their friends through their social networks before travel resumption, creating positive word-of-mouth for Hong Kong. So far, over 220 have been invited to become “Hong Kong Super Fans” and HKTB will continue to invite more expatriates as well as friends and fans of Hong Kong to become “Hong Kong Super Fans” in order to promote Hong Kong to more visitors.

- HKTB will produce “360 Hong Kong Moments” videos with Virtual Reality panoramic filming or other innovative techniques to offer visitors immersive journeys in Hong Kong for promotion on digital and social platforms. HKTB will also continue to work with influential Mainland and international media outlets and well-established travel and lifestyle broadcast channels to produce programmes filmed in Hong Kong for broadcasting in source markets to deliver positive messages and updates about the city unceasingly.
- It is expected that after the epidemic, the Mainland and certain short-haul markets, such as Southeast Asia, will be the first to reopen. When source markets have reopened travel to Hong Kong, HKTB will roll out “Open House Hong Kong”, a large-scale promotional platform with citywide offers and exclusive experiences, in these reopened markets to drum up visitors’ desire to return to Hong Kong.

The estimated marketing budget and expenditure for the above promotional campaigns for maintaining Hong Kong’s international exposure and enticing visitors’ return is \$293 million. It is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

The aforementioned initiatives are undertaken by HKTB’s existing manpower and expenditure which cannot be quantified separately.

On Hong Kong’s tourism image, HKTB is conducting a holistic review of Hong Kong’s tourism brand and positioning and will formulate a long-term promotion strategy to drive sustainable development of the Hong Kong tourism industry. When cross-boundary travel gradually resumes, HKTB will launch a new global brand promotional campaign in source markets worldwide through multiple channels including digital platforms, and partnership with major international media outlets to rebuild Hong Kong’s tourism image and to spread the positive message that Hong Kong is a safe and hospitable travel destination.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3206)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Matters Requiring Special Attention in 2021-22 include continuing to implement the Local Mask Production Subsidy Scheme under the Anti-epidemic Fund. The scheme was implemented amid the global outbreak of COVID-19 in 2020, which has seen a significant surge in the demand for masks around the world, aggravating the acute shortage of supply in Hong Kong, which used to be largely reliant on import for masks, thus driving up their prices. But now, one year later, the sale of local masks has stagnated, and even the improved design of masks has failed to avert the wave of closures. The industry estimates that about one-third of the 200 local mask manufacturers may close down in the next 3 months. In this connection, please inform this Committee of the following:

1. Given that the quota of 20 production lines under the scheme has all been allocated as at 31 January 2021, what are the details of work and the manpower and financial expenditure involved in the continuous implementation of the scheme as stated under the Matters Requiring Special Attention in 2021-22?
2. In view of the sluggish sale of locally produced masks, will the Government consider implementing measures, such as the procurement of masks produced by local manufacturers and facilitating the export of locally produced masks?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 55)

Reply:

The financial implications of the Local Mask Production Subsidy Scheme (Subsidy Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

The Subsidy Scheme was launched in March 2020 to facilitate the establishment of local mask production facilities so as to address the severe shortage situation then and to build up stock. Under the Subsidy Scheme, the Government provides capital subsidy to the 20 production lines, covering cost items relevant to the establishment of a mask production line

(i.e. production equipment, venue setup, clean room setup, and testing and standard compliance costs). The subsidy is disbursed in four instalments, depending on the progress of establishing the production lines and production outputs. In addition, the Government procures up to two million masks from each production line every month for one year. The price of the masks is set with reference to major production costs and such costs are reviewed regularly. Documentary proof must be submitted by the relevant companies for verification purposes.

As at 28 February 2021, the Government has disbursed the first two instalments of the capital subsidy to all production lines in accordance with the funding agreements, amounting to \$14.56 million. The production lines have supplied to the Government a total of 325.67 million masks. Based on information provided by the production lines, the average price of a mask is \$1.31.

Once the production lines have been confirmed to meet the relevant requirements laid down in the funding agreements, the Government will disburse the two remaining instalments of the capital subsidy in a timely manner. The Government will also continue to procure masks for the remaining period from the production lines in accordance with the funding agreements.

Since the production lines under the Subsidy Scheme started progressively to supply masks to the Government in June 2020, the Government Logistics Department (GLD) has been supplied with locally produced masks including those manufactured by the Correctional Services Department as well as those procured under the Subsidy Scheme. Except for small-sized masks, GLD has not procured other regular-sized masks.

The Government has been actively encouraging Hong Kong enterprises to develop overseas markets, and providing financial support through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund (EMF) to assist enterprises in enhancing their competitiveness and conducting export promotion activities.

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs) to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements. Local mask manufacturers can utilise the funding support of the BUD Fund and the EMF to develop those markets.

Through different channels, the Hong Kong Trade Development Council has also been promoting Hong Kong's products and services of different industries, including healthcare and anti-epidemic products, in order to help local businesses explore overseas markets. Amongst others, "hktcdc.com Sourcing" provides an online sourcing and communication platform for global buyers and suppliers, while "hktcdc.com Small Orders" provides users with flexibility in order quantities, thereby helps suppliers increase brand exposure and enter new markets.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)073

(Question Serial No. 0053)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government mentioned that it would continue to work with the Hong Kong Tourism Board and the tourism sector to diversify and promote green tourism products on offer in Hong Kong. In this connection, will the Government inform this Committee of:

1. whether the Government will enhance promoting ecotourism beyond terrestrial sites to marine ecotourism that currently lacks support, for instance, helping the diving industry to formulate guidelines and code of practice on environmental protection, and conduct carrying capacity and environmental impact studies on popular local natural attractions;
2. whether the Government has made any assessment on the potential economic return and benefits brought by marine ecotourism? If yes, please advise the results;
3. the Government's measures to promote marine ecotourism in 2021-22, as well as the estimated manpower and resources involved?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 17)

Reply:

The Government has been promoting green tourism and actively exploring the development of new green attractions following the principles of nature conservation and sustainable development. In addition to land-based activities, the Government has been providing support to measures that are related to marine ecotourism, which includes the production of "Visiting Coral Areas Codes for SCUBA Divers and Snorkelers" by the Agriculture, Fisheries and Conservation Department (AFCD) and the Hong Kong Underwater Association for divers' reference, thereby enhancing the protection of coral communities in Hong Kong and promoting sustainable marine ecotourism. AFCD has also developed two sea-based tour routes for the Hong Kong UNESCO Global Geopark (Geopark) covering the Northeast New Territories and the Sai Kung Islands respectively. They are promoted

through AFCD's websites and leaflets. Moreover, the Hoi Ha Wan Marine Park Visitor Centre (Visitor Centre), being the first visitor centre with a key focus on building awareness on marine conservation, will be opened in 2021. The Visitor Centre will organise eco-tours and field studies in Hoi Ha, Sai Kung and nearby areas.

In addition, the Hong Kong Tourism Board (HKTB) has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform during autumn and winter each year since 2009, covering the Geopark, country parks, biologically diverse marine ecosystem of marine parks, hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations. In 2020-21, HKTB collaborated with the National Geographic to create short films that featured National Geographic explorers sharing stories about Hong Kong's efforts and achievements in conservation and sustainability to promote the appeal of the city's natural environment. HKTB also launched the "360 Hong Kong Moments" campaign in October 2020. Using the 360-degree Virtual Reality panoramic technology, the videos allow audiences to enjoy Hong Kong's natural wonders and outdoor camping, hiking, rock climbing, diving, cycling and canoeing experiences through realistic immersive journeys in the comfort of their own homes.

The Tourism Commission (TC) has no plan to conduct study on marine ecotourism at the moment. Should there be development in marine ecotourism in the future, TC, in collaboration with HKTB, will promote its tourism appeal following the principles of nature conservation and sustainable development.

The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau, the relevant department and organisations, which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)074

(Question Serial No. 0126)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To reinvigorate the convention and exhibition industry, the Government has launched the Convention and Exhibition Industry Subsidy Scheme (the Scheme) under the Anti-epidemic Fund with a commitment of \$1,020 million. Will the Government inform this Council of the following:

1. the numbers of applications submitted and approved, as well as the amount of subsidy involved since the Scheme has been launched;
2. the Government is now subsidising 50% of the participation fees for exhibitors of exhibitions organised by the Hong Kong Trade Development Council (HKTDC) and participants of the HKTDC's major conventions. Will the Government consider increasing the subsidy ratio and the current subsidy ceiling of \$10,000?
3. whether the Government will extend the scope of subsidy to exhibitions and conventions organised by organisations other than the HKTDC, as well as overseas exhibitions and conventions; and
4. the Government's measures to assist the practitioners of the exhibition industry and the relevant industries.

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 1)

Reply:

The financial implications of the Convention and Exhibition Industry Subsidy Scheme (the Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

To reinvigorate the convention and exhibition (C&E) industry, the Government established the Scheme under the Anti-epidemic Fund with a commitment of \$1,020 million. The Scheme has two parts. One part of it, which was launched on 3 October 2020, subsidises organisers of exhibitions and international conventions held at the Hong Kong Convention

and Exhibition Centre and AsiaWorld-Expo 100% of the venue rental. The other part of the Scheme, which was launched on 30 November 2020, subsidises exhibitors of exhibitions and participants of major conferences organised by the Hong Kong Trade Development Council (TDC) 50% of the participation fee, subject to a cap of \$10,000 per standard booth and 10 booths per exhibitor each time. In light of the epidemic situation, the Scheme has been extended to 31 December 2021. We hope that the launch of the Scheme can attract major C&E events to be held in Hong Kong when the epidemic situation has stabilised, so as to help small and medium enterprises (SMEs) connect with global buyers and suppliers, as well as to benefit the industry and all related personnel. As at 28 February 2021, the Scheme subsidised 18 exhibitions, involving a total subsidy amount of about \$38.9 million.

Furthermore, eligible SMEs may apply in tandem for funding support under the SME Export Marketing Fund (EMF) to cover their participation fees on a matching basis. Special arrangements have been made for the EMF to coordinate with the Scheme such that SMEs participating in TDC's exhibitions can obtain subsidy from the Scheme and apply for subsidy from the EMF through a one-stop online platform and a simple application form.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; virtual exhibitions organised by TDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0169)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau is responsible for consolidating Hong Kong's positioning as the prime platform and a key link for the Belt and Road Initiative by promoting closer partnership and project interfacing amongst professional services sector of Hong Kong. In this connection, please inform the Committee of the following:

1. In the past 2 years, how many resources were allocated in the above respect? What were the major work conducted and the major results achieved?
2. In 2021-22, how many resources and manpower will be allocated and what major measures will be taken in this respect?
3. Has the Government considered allocating additional resources and formulating concrete proposals to promote Hong Kong's development into a regional professional services hub? If yes, what are the details; if no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 28)

Reply:

With a view to promoting Hong Kong's participation in the Belt and Road Initiative (B&RI), over the past 2 years, we continued to enhance related policy efforts, including organising a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing to showcase Hong Kong's unique position as the prime platform and a key link for the B&RI; convening the Joint Conference with the Central Authorities in July 2019 and August 2020 under 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" to foster collaboration and follow up on its

implementation; and holding a high-level meeting of the Mainland and Hong Kong Belt and Road Task Group in November 2019 to maintain direct communication and collaboration with relevant Central Authorities.

Apart from policy co-ordination efforts, the Commerce and Economic Development Bureau (CEDB) has been striving to foster strategic partnership and project matching between enterprises and professional services sector. Such efforts include co-organising the fourth and fifth Belt and Road Summits with the Hong Kong Trade Development Council (HKTDC) respectively in 2019 and 2020. Over the past 2 years, we organised a series of forums, sharing and business matching sessions; supported the HKTDC to enhance its Belt and Road (B&R) Portal into a more comprehensive and up-to-date one-stop B&R platform; as well as its introduction of SME Transformation Sandbox (“T-box”). Besides, before the pandemic, the CEDB organised and participated in a number of business and professional missions to B&R related countries and regions, thereby promoting Hong Kong’s unique strengths.

In view of the growing demand for anti-epidemic, public health, and innovation and technology (I&T) products, the CEDB responded by launching the I&T Inventions Experience Sharing and Business Promotion Platform (the Platform) in June 2020. Through government-to-government collaboration and in conjunction with the local I&T sector and the HKTDC, we have shared with overseas governments and stakeholders Hong Kong’s research and application of I&T products, relevant experience and related professional services in combating the pandemic and addressing livelihood needs. In this regard, the CEDB jointly organised webinars with Thailand, Indonesia and Malaysia respectively during June to September 2020, thereby strengthening B&R people-to-people bond and exploring new business opportunities.

In 2021-22, the Government will continue to proactively play the role of “facilitator” and “promoter”, including enhancing policy co-ordination with relevant Central Authorities; co-organising the sixth Belt and Road Summit with the HKTDC in 2021; continuing with efforts to enhance B&R exchanges and collaboration through the Platform; and promoting closer partnership and project interfacing amongst enterprises and professional services sector of Hong Kong. We will also encourage Hong Kong enterprises and professional services sector to make use of the Mainland’s overseas Economic and Trade Co-operation Zones in developing business.

The Government adopts a whole-government approach in the pursuit of the B&RI, with relevant bureaux/departments taking forward related efforts, including professional services development, under their respective portfolios. To further encourage Hong Kong professional services sectors to step up promotion of Hong Kong’s competitive edges and professional services to the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area and overseas markets after the pandemic has stabilised, \$50 million has been set aside under the Professional Services Advancement Support Scheme to subsidise major professional bodies’ participation in relevant activities organised by the Government, HKTDC and overseas Economic and Trade Offices (ETOs). We are currently working with HKTDC and overseas ETOs on the preparatory work, and will discuss with relevant bodies on the details of individual activities after the pandemic stabilises.

The establishment and expenditure of the Belt and Road Office under the CEDB from 2019-20 to 2021-22 are tabled below:

Financial Year	Expenditure (\$ million)	Establishment (Number of Posts)
2019-20	24.20 (Actual)	20
2020-21	26.05 (Actual)	21
2021-22	39.96 (Estimate)	21

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)076

(Question Serial No. 0170)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau is responsible for monitoring the operation of the Government Electronic Trading Services (GETS), and will start to support iAM Smart in GETS. In this regard, please advise this Committee of the following:

1. The resources and manpower to be deployed and the major measures to be adopted in this area in 2021-22;
2. Has the Government formulated any plan to provide incentives to encourage more businesses and individuals to adopt iAM Smart? If yes, what are the details; if no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 29)

Reply:

The Government Electronic Trading Services (GETS) is an electronic service for the trading community to submit four main trade-related documents (i.e. Import and Export Declaration, Certificate of Origin, Dutiable Commodities Permit and Cargo Manifest for air and sea modes) to the Government. The service is provided through private sector service providers. GETS will roll out the adoption of iAM Smart in mid-2021, allowing registered users to make use of the functions of authentication, digital signing and form filling of iAM Smart in their submission of GETS.

The Government will brief the trading community of the iAM Smart arrangements through GETS service providers to encourage the trading community to make good use of iAM Smart. The work arising from the implementation of the above measures will be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for this Branch. It is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)077

(Question Serial No. 0171)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary states in paragraph 47 of the Budget that \$1.5 billion will be injected into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the geographical coverage of the Fund will be substantially extended in phases and the funding ceiling for each enterprise will be increased from \$4 million to \$6 million. In this connection, please advise this Committee of the following:

1. Regarding the implementation of the BUD Fund by the Government, how many applications from enterprises were received, how many applications were actually approved, and what were the total amounts of fund committed in the past two years; and
2. Noting that the Commerce and Economic Development Bureau will continue to implement the enhanced BUD Fund in collaboration with the Trade and Industry Department and the Hong Kong Productivity Council, whether a specific plan has been formulated to expedite the approval process while maintaining appropriate flexibility so as to help local enterprises to recover as quickly as possible once the coronavirus epidemic is over? If yes, what are the details; if not, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 31)

Reply:

The current-term Government has injected a total of \$3.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and launched rounds of enhancement measures, including extending the geographical coverage from the Mainland to the member states of the Association of Southeast Asian Nations (ASEAN), and then further to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise successively, from \$0.5 million to \$2 million, and then further to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding.

The implementation progress of the BUD Fund in the past two years is as follows:

	2019	2020
Number of applications received ^{Note}	1 721	3 521
Number of applications approved	722	909
Amount of grants approved (\$)	422 million	602 million

Note: Applications received may not be processed in the same year. The figures also include applications that could not be processed due to lack of necessary information and those voluntarily withdrawn by enterprises.

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year.

To ensure service performance, since 2017, Trade and Industry Department (TID) has included a target on the time required for processing the BUD Fund's applications in TID's Controlling Officer's Report. Since then, all applications upon the Secretariat's receipt of all the required documents and information could be passed to the Programme Management Committee for consideration within the target time (i.e. within 60 working days). Furthermore, in order to expedite the vetting process, since October 2019 the BUD Fund's Secretariat has been processing applications received on a continual basis instead of by batches on a quarterly basis .

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

We expect that implementation of the enhancement measures of the BUD Fund will bring about an increase in the number of applications and the related workload in vetting applications and monitoring approved projects. TID will redeploy its internal resources and Hong Kong Productivity Council as the BUD Fund's Secretariat will also increase its manpower to cope with the additional workload of the fund. We will continue to closely monitor the implementation and seek additional manpower resources through the established mechanism when necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)078

(Question Serial No. 0172)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau will continue to implement the Local Mask Production Subsidy Scheme under the Anti-epidemic Fund. In this connection, please advise on the following:

1. the number of applications received, the actual numbers of companies and production lines approved, the actual sum of subsidy provided, and the respective total numbers of masks supplied to the Government and the local market under the Scheme since its implementation; and
2. whether the Government will review the said subsidy scheme in a timely manner, including the study of potential issues such as quality certification and future production capacity. If yes, what are the details? If not, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 33)

Reply:

The financial implications of the Local Mask Production Subsidy Scheme (Subsidy Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

The Subsidy Scheme received a total of 103 applications, of which 20 production lines have been approved. The Government has commissioned the Hong Kong Productivity Council (HKPC) to administer the Subsidy Scheme. The 20 production lines under the Subsidy Scheme have started progressively to supply masks to the Government since June 2020. As at 28 February 2021, the amount of capital subsidy disbursed to the 20 production lines and the number of masks delivered to the Government were as follows:

Name of company (in alphabetical order)	Production Line	Amount of Capital Subsidy Disbursed	Number of Masks delivered to the Government
Action Medical Sundries Limited	1 st Line	\$702,001.4	18,000,000
Action Medical Sundries Limited	2 nd Line	\$650,621.3	18,000,000
Creative International Technology Limited	1 st Line	\$884,600.0	17,000,000
Creative International Technology Limited	2 nd Line	\$600,000.0	17,000,000
HKer Medical Supplies Limited	1 st Line	\$767,678.0	13,000,000
Hong Kong Lion Production Company Limited	1 st Line	\$548,123.5	12,522,200
King Cheung Knitwear Company Limited	1 st Line	\$1,022,000.0	18,000,000
Platform Management Service Limited	1 st Line	\$791,212.3	15,658,500
S.E.C. Hong Kong Factory Limited	1 st Line	\$489,795.5	17,000,000
Safeguard HK Limited	1 st Line	\$800,000.0	15,000,000
SDL Skin (Asia) Limited	1 st Line	\$796,719.7	16,068,000
Sinopharm Tech Medical Supplies Limited	1 st Line	\$568,717.0	16,000,000
Sinopharm Tech Medical Supplies Limited	2 nd Line	\$380,630.0	17,000,000
Step Out Technology Limited	1 st Line	\$905,772.9	17,720,000
Step Out Technology Limited	2 nd Line	\$600,000.0	16,700,000
SwissTech Limited	1 st Line	\$1,127,200.0	16,000,000
SwissTech Limited	2 nd Line	\$600,000.0	14,000,000
Topwill Passion Limited	1 st Line	\$751,220.0	18,000,000
Universal Development Holdings Limited	1 st Line	\$942,050.4	16,000,000
Wilson Tech (International) Limited	1 st Line	\$634,840.0	17,000,000

The above information has been uploaded to HKPC website (u.hkpc.org/mask) and will be updated monthly.

A subsidised production line that has supplied the Government with two million masks in a month may decide on the disposal arrangements for the remaining masks it produces, which may include distributing them to employees for personal use, selling or donating them to individual organisations, selling them through the local retail market, etc. However, under no circumstances can the masks be exported. The Government does not have information on the number of masks that the subsidised production lines have supplied to the local market.

Through HKPC, the Government has been closely monitoring the production of the production lines under the Subsidy Scheme, their production capacity and the quality of the masks produced, including conducting on-site inspections from time to time, and

verification of information and reports submitted by the production lines, etc. All the production lines have met the relevant quality certification requirements of the Subsidy Scheme, including compliance with ASTM F2100 Level 1 standard or above for the masks produced, certification for clean room facility, and quality management system standard, etc. The Government will continue to closely monitor through HKPC the production of the production lines and the quality of the masks produced under the Subsidy Scheme.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)079

(Question Serial No. 0292)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the “GoGBA” platform to be launched soon, will the Government inform this Committee of the following:

1. What are the estimated staff establishment and expenditures for the platform in 2021-22? When will it be launched and what is the current progress?
2. Will the Government explore the possibilities of consolidating the relevant laws and regulations of the two places in such aspects as electronic payment, logistics and after-sales services to facilitate online sales for Hong Kong enterprises?
3. Apart from the platform, will the Government put in place other measures or policies in 2021-22 to assist Hong Kong enterprises in tapping into the domestic Mainland Market and developing online business? If so, please advise on the details and expenditures involved.

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 27)

Reply:

We seek to assist Hong Kong enterprises in leveraging on the opportunities brought about by the national domestic circulation strategy to explore the domestic Mainland market, including:

- Funding the Hong Kong Trade Development Council (HKTDC) to launch a one-stop support platform, “GoGBA”, to provide information and practical tools, to complement other support and consultation services, seminars and trainings, as well as field trips, in order to help companies make use of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) as an entry point to explore opportunities and gain practical experience for further expansion into other Mainland cities. The “GoGBA” platform is expected to be launched in May 2021.

- HKTDC will also set up a “HKTDC GBA Centre” in Shenzhen, and organise workshops, focus groups and other networking activities to help Hong Kong small and medium enterprises grasp opportunities in the GBA. Furthermore, HKTDC will organise large-scale events in the GBA to promote Hong Kong’s products for underlining Hong Kong’s capabilities in design and creativity.
- Besides the physical and online outlets of its “Design Gallery” on the Mainland, HKTDC has also launched a one-stop “ConsignEasy” service to help companies tackle logistics, warehousing, taxation and other matters related to domestic sales. To strengthen promotion, HKTDC will organise online and offline marketing campaigns, as well as organise participation of Hong Kong companies in major Mainland exhibitions to promote Hong Kong brands and products. The above work has been subsumed under the overall estimated expenditure of HKTDC under Programme (3) in 2021-22.
- We will continue to participate actively in the fourth China International Import Expo (CIIE), scheduled to be held in Shanghai in November 2021, to showcase and promote Hong Kong’s quality products and professional services. The estimated expenditure for co-ordinating HKSAR’s participation in CIIE in 2021-22 is about \$13.1 million.

According to the information provided by Financial Services and Treasury Bureau, Transport and Housing Bureau and Innovation and Technology Bureau, there is currently no legislation regarding cross-border online sales between the Mainland and Hong Kong integrating such aspects as electronic payment, logistics or after-sales services, etc. That said, cross-border transactions must comply with the requirements in relevant laws and regulations of both the Mainland and Hong Kong. The regulatory authorities of the two places have been maintaining close cooperation to implement measures to facilitate cross-border transactions. For instance, there are already e-wallet operators that provide cross-border payment arrangements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)080

(Question Serial No. 0377)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the functions of the Hong Kong Trade Development Council (HKTDC) is to promote Hong Kong as an investment hub for the healthcare sector. In this connection, please inform this Committee of the following:

1. The resources and manpower to be deployed and the major measures to be adopted in this area in 2021-22;
2. Has the Government formulated any specific plan to leverage the HKTDC's network and the opportunities brought by the anti-epidemic work to promote regional co-operation among healthcare professions while facilitating the matching of local anti-epidemic products and services with overseas markets, and to bring the world's newest medicinal drugs, medical technologies and investment opportunities to the Asia-Pacific region while enabling Mainland China's medicinal health products to go global. If yes, what are the details; if no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 39)

Reply:

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention to the Hong Kong Trade Development Council (TDC), including \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and promote Hong Kong's healthcare products and services.

Regarding the promotion of Hong Kong's healthcare products and services, to help relevant companies grasp opportunities, TDC will stage an inaugural "Asia Summit on Global Health", bringing together business and political leaders and investors in biotechnology, life

sciences, healthcare infrastructure and related fields, to explore new trends in the healthcare industry; promote the advantages of Hong Kong's healthcare products and services; foster investment and unlock market opportunities; and promote Hong Kong as the healthcare innovation and investment hub in Asia. TDC will also add dedicated zones on biotechnology and anti-epidemic innovations in the "Hong Kong International Medical and Healthcare Fair", as well as promote Hong Kong's biomedical and healthcare innovations at its local and major international events, in order to showcase Hong Kong's strengths, foster investment, and provide a platform for local small and medium enterprises in the healthcare sector to expand businesses.

The above work has been subsumed under the staff establishment of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)081

(Question Serial No. 0112)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that Hong Kong will actively participate in the national dual circulation development strategy. In this connection, will the Government inform this Committee of the following:

1. Will additional resources be allocated for setting up a task force to study the content of the national dual circulation development strategy and how will Hong Kong play its role to tie in with the relevant development?
2. Regarding active participation in the national dual circulation development strategy, has the Government formulated any corresponding work plans?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 29)

Reply:

The recently promulgated National 14th Five-Year Plan, among others, supports Hong Kong to enhance its status as an international trade centre and promote service industries for high-end and high value added development; as well as supports Hong Kong to develop into a regional intellectual property (IP) trading centre. It also states clearly that it would accelerate the establishment of a new development pattern featuring dual circulation, which takes the domestic market as the mainstay while enabling domestic and foreign markets to interact positively with each other. Given the advantages under "One Country, Two Systems", Hong Kong can further strengthen its "intermediary" role in international circulation. Besides, we can focus on the business opportunities in the Mainland market, better integrate into the overall development of our nation, take the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development as an entry point,

and proactively become a “participant” in domestic circulation and a “facilitator” in international circulation.

For the work under the purview of Commerce and Economic Development Bureau (CEDB), we will strengthen the promotion of Hong Kong’s competitive edge and professional services to the Mainland cities of the GBA and overseas markets, and actively press ahead with measures to bolster Hong Kong’s competitiveness, especially in tapping into the business opportunities brought about by the twin engines of the national economic development in the Belt and Road Initiative and the GBA development. Hong Kong will act as an important connecting platform under the national dual circulation strategy, helping Mainland enterprises enter the international market and overseas investors to develop the business opportunities on the Mainland and in Asia. Concrete work includes:

- continuing to establish close economic and trade relations with other economies, forge free trade agreements and investment promotion and protection agreements and seek early accession to the Regional Comprehensive Economic Partnership; and to expand the network of the overseas Hong Kong Economic and Trade Offices (ETOs) to strengthen economic and trade ties with the rest of the world;
- strengthening Hong Kong’s status as a leading international business location in Asia through the support of Invest Hong Kong (“InvestHK”) for Mainland and overseas companies across sectors to set up and grow in and via Hong Kong. InvestHK encourages Mainland enterprises to make good use of Hong Kong and our professional services as a springboard to internationalise their businesses and invest overseas. It also proactively encourages overseas companies to capture the opportunities in the GBA and Mainland markets by setting up in Hong Kong.
- supporting Hong Kong enterprises and professional services sector to capitalise on the opportunities brought by the Belt and Road Initiative, planning to promote closer partnership and project interfacing amongst enterprises and professional services sector of Hong Kong in future, and also encouraging them to develop business in the Mainland’s overseas Economic and Trade Co-operation Zones with a view to jointly exploring new markets, thereby consolidating Hong Kong’s role as a prime functional platform and key link for the Belt and Road;
- promoting IP commercialisation and trading to strengthen Hong Kong’s role as a regional IP trading hub; raising IP awareness among enterprises and assisting them in seizing the opportunities brought by IP trading; further reinforcing collaboration with the IP authorities of the Mainland and Macao on IP protection, management and exploitation under the existing frameworks such as the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights ; encouraging Mainland enterprises to engage Hong Kong’s professional services to help them “go global” and enter the international market; and facilitating Hong Kong’s commercial and professional services providers to seize the opportunities brought by the GBA development; and
- encouraging Hong Kong professional services sectors to step up promotion of Hong Kong’s competitive edges to the Mainland cities of the GBA and overseas markets after the pandemic has stabilised. The Professional Services Advancement Support Scheme subsidises professional services sectors to carry out exchange and promotional activities etc. in Hong Kong, the Mainland and overseas, and \$50 million has been set

aside to fund Hong Kong major professional bodies' participation in relevant activities organised by the Government, Hong Kong Trade Development Council (HKTDC) and ETOs.

We will also help Hong Kong enterprises actively expand into the domestic Mainland market. Concrete work includes:

- continuing to participate actively in the fourth China International Import Expo (CIIE), to be held in Shanghai in November 2021, to showcase and promote Hong Kong's quality products and professional services and to demonstrate Hong Kong's unique advantages as a connecting platform under the dual circulation strategy through CIIE;
- funding HKTDC to launch a one-stop support platform entitled "GoGBA" and set up a "HKTDC GBA Centre" in Shenzhen to provide multi-faceted support for Hong Kong companies, including providing information and practical tools, to complement other support and consultation services, seminars and trainings, as well as field trips; organising workshops, focus groups and other networking activities; and also organising large-scale events in the GBA to promote Hong Kong's products. These will help enterprises acquire skills and knowledge on digital marketing, and make use of the GBA as the springboard to expand into the huge domestic Mainland market by means of online and offline platforms;
- providing financial support to Hong Kong enterprises in developing brands and conducting more promotion activities on the Mainland through the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund;
- assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) by seeking various preferential and facilitation measures for the trade. CEPA has now become a comprehensive and modern free trade agreement which covers all facets of Hong Kong's economic and trade relationship with the Mainland, and promotes further liberalisation and facilitation of trade and investment between the two places. We will continue to seek the introduction of more liberalisation measures that will benefit Hong Kong businesses under the CEPA framework, and create favourable conditions for Hong Kong businesses to access the Mainland market;
- alleviating the risks faced by Hong Kong enterprises in expanding their businesses on the Mainland through the Hong Kong Export Credit Insurance Corporation's offering of credit insurance services to Hong Kong enterprises for exports of goods manufactured on the Mainland to other places, or for sale on the Mainland; and
- collaborating with the Mainland IP authorities to promote IP protection, management and trading to the business sector on their Mainland businesses, for example, co-organising activities with the IP authorities of the Guangdong Province such as online seminars for small and medium enterprises, and disseminating the latest information on the IP regimes of Guangdong, Hong Kong and Macao.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)082****(Question Serial No. 0160)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of the Local Mask Production Subsidy Scheme launched under the Anti-epidemic Fund, please set out the name of manufacturers which have been granted subsidy, the amount of subsidy they received and the quantity of masks produced by each manufacturer. Has the Government conducted spot checks on the quality of masks produced by them? If yes, what are the number of spot checks conducted and the results?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 31)

Reply:

The financial implications of the Local Mask Production Subsidy Scheme (Subsidy Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

The Government has commissioned the Hong Kong Productivity Council (HKPC) to administer the Subsidy Scheme. The 20 production lines under the Subsidy Scheme have started progressively to supply masks to the Government since June 2020. As at 28 February 2021, the amount of capital subsidy disbursed to the 20 production lines and the number of masks delivered to the Government were as follows:

Name of company (in alphabetical order)	Production Line	Amount of Capital Subsidy Disbursed	Number of Masks delivered to the Government
Action Medical Sundries Limited	1 st Line	\$702,001.4	18,000,000
Action Medical Sundries Limited	2 nd Line	\$650,621.3	18,000,000
Creative International Technology Limited	1 st Line	\$884,600.0	17,000,000

Name of company (in alphabetical order)	Production Line	Amount of Capital Subsidy Disbursed	Number of Masks delivered to the Government
Creative International Technology Limited	2 nd Line	\$600,000.0	17,000,000
HKer Medical Supplies Limited	1 st Line	\$767,678.0	13,000,000
Hong Kong Lion Production Company Limited	1 st Line	\$548,123.5	12,522,200
King Cheung Knitwear Company Limited	1 st Line	\$1,022,000.0	18,000,000
Platform Management Service Limited	1 st Line	\$791,212.3	15,658,500
S.E.C. Hong Kong Factory Limited	1 st Line	\$489,795.5	17,000,000
Safeguard HK Limited	1 st Line	\$800,000.0	15,000,000
SDL Skin (Asia) Limited	1 st Line	\$796,719.7	16,068,000
Sinopharm Tech Medical Supplies Limited	1 st Line	\$568,717.0	16,000,000
Sinopharm Tech Medical Supplies Limited	2 nd Line	\$380,630.0	17,000,000
Step Out Technology Limited	1 st Line	\$905,772.9	17,720,000
Step Out Technology Limited	2 nd Line	\$600,000.0	16,700,000
SwissTech Limited	1 st Line	\$1,127,200.0	16,000,000
SwissTech Limited	2 nd Line	\$600,000.0	14,000,000
Topwill Passion Limited	1 st Line	\$751,220.0	18,000,000
Universal Development Holdings Limited	1 st Line	\$942,050.4	16,000,000
Wilson Tech (International) Limited	1 st Line	\$634,840.0	17,000,000

The above information has been uploaded to HKPC website (u.hkpc.org/mask) and will be updated monthly.

Through HKPC, the Government has been closely monitoring the production of the production lines and the quality of the masks produced under the Subsidy Scheme, including conducting on-site inspections from time to time, and verification of information and reports submitted by the production lines, etc. As at 28 February 2021, HKPC has conducted 84 on-site inspections on the production lines. All the production lines have met the relevant quality certification requirements of the Subsidy Scheme, including compliance with ASTM F2100 Level 1 standard or above for the masks produced, certification for clean room facility, and quality management system standard, etc. The Government will continue to closely monitor through HKPC the production of the production lines and the quality of the masks produced under the Subsidy Scheme.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)083

(Question Serial No. 0205)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the implementation of the Convention and Exhibition Industry Subsidy Scheme under the Anti-epidemic Fund, will the Government inform this Committee of the number of successful applicant companies and the amount of subsidies involved, and the remaining funds currently available for continuing to implement the scheme?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 41)

Reply:

The financial implications of the Convention and Exhibition Industry Subsidy Scheme (the Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

To reinvigorate the convention and exhibition industry, the Government established the Scheme under the Anti-epidemic Fund with a commitment of \$1,020 million. The Scheme has two parts. One part of it, which was launched on 3 October 2020, subsidises organisers of exhibitions and international conventions held at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo 100% of the venue rental. The other part of the Scheme, which was launched on 30 November 2020, subsidises exhibitors of exhibitions and participants of major conferences organised by the Hong Kong Trade Development Council 50% of the participation fee. In light of the epidemic situation, the Scheme has been extended to 31 December 2021. As at 28 February 2021, the Scheme subsidised 18 exhibitions, involving a total subsidy amount of about \$38.9 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)084

(Question Serial No. 0730)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The scope of funding of the SME Export Marketing Fund (EMF) will be expanded for 2 years. In this connection, will the Government inform this Committee of: 1. the projects funded by the EMF, the number of projects and the amount of grants for each project in the past 3 years; 2. the details of expanding the scope of funding for 2 years and the estimated numbers of projects and beneficiaries?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 45)

Reply:

The SME Export Marketing Fund (EMF) aims at encouraging small and medium enterprises (SMEs) to participate in export promotion activities to expand their business, for example participating in exhibitions and business missions, placing advertisements in trade publications, conducting export promotion activities through electronic platforms/media, and setting up or enhancing a corporate website/mobile application.

The current-term Government has injected a total of \$2 billion into the EMF, and launched rounds of enhancement measures, including increasing the cumulative funding ceiling per enterprise successively, from \$200,000 to \$400,000, and then further to \$800,000; increasing the funding ceiling per application from \$50,000 to \$100,000; and introducing an initial payment of up to 75% of the approved government funding.

The implementation progress of the EMF in the past 3 years is as follows:

	2018	2019	2020
Number of applications approved	9 025	11 919	10 764
Average amount of grants for applications approved (\$)	18,500	25,100	22,300

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by Hong Kong Trade Development Council and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

The Government expects that upon implementation of the new round of enhancement measures, the number of applications received, the number of applications approved, the funding amount approved and the number of beneficiaries under the EMF will all increase, though it is difficult to estimate the actual numbers.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)085

(Question Serial No. 0731)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the new Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS), what are the figures for the number of applications received so far, the number of applications approved and the amount for each case? What was the number of cases in which the Government's guarantee was required as repayments of the funding were not made on schedule under SFGS in the past 3 years? What was the Government's total guarantee amount involved in such cases, if any?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 46)

Reply:

As at end February 2021, the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS) received 29 394 applications, with 28 479 applications approved, involving \$45.33 billion of loans. The average loan amount of approved cases was \$1.59 million.

From January 2018 to end February 2021, the 80% Guarantee Product, 90% Guarantee Product and Special 100% Guarantee Product under the SFGS recorded a total of 294 default cases, involving loan guarantee of \$667 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)086

(Question Serial No. 0732)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the implementation of the new Original Grant Patent system in 2019, what have been the types and number of applications received as well as the number of successful registrations respectively?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 47)

Reply:

As at end February 2021, the Patents Registry received a total of 312 Original Grant Patent applications. Of these, 175 applications are in the electricity field, 101 applications in the mechanical engineering field and 36 applications in the chemistry field, accounting for approximately 56%, 32% and 12% of the total number of applications respectively. The entire examination process of an Original Grant Patent application, from filing to grant, normally takes 2 to 3 years to complete. The Patents Registry is still processing the applications received under the new system.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)087

(Question Serial No. 0741)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding leading and co-ordinating the work on the Belt and Road Initiative, would the Government inform this Committee of:

1. the specific strategies and measures formulated;
2. the specific work pressed ahead to seek out Belt and Road related business opportunities; and
3. the work plan concerning the Belt and Road and the relevant staffing and expenditure for 2021-22?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 30)

Reply:

With a view to promoting Hong Kong's participation in the Belt and Road Initiative (B&RI), the Government has been adopting a whole-government approach with a five-pronged Belt and Road key strategy in taking forward relevant work, which includes (a) enhancing policy co-ordination; (b) fully leveraging Hong Kong's unique advantages; (c) making the best use of Hong Kong's position as the professional services hub; (d) promoting project participation; and (e) establishing partnership and collaboration.

As regards the development of business opportunities brought by the B&RI, the Commerce and Economic Development Bureau (CEDB) has been striving to foster strategic partnership and project matching between enterprises and professional services sector. Such efforts include co-organising the Belt and Road Summit with the Hong Kong Trade Development Council (HKTDC) every year. Besides, we organised a series of forums, sharing and business matching sessions; supported the HKTDC to enhance its Belt and Road (B&R) Portal into a more comprehensive and up-to-date one-stop B&R platform; and supported its introduction of SME Transformation Sandbox ("T-box"). Before the pandemic, the CEDB

organised and participated in a number of business and professional missions to B&R related countries and regions, thereby promoting Hong Kong's unique strengths.

In view of the growing demand for anti-epidemic, public health, and innovation and technology (I&T) products, the CEDB responded by launching the I&T Inventions Experience Sharing and Business Promotion Platform (the Platform) in June 2020. Through government-to-government collaboration and in conjunction with the local I&T sector and the HKTDC, we have shared with overseas governments and stakeholders Hong Kong's research and application of I&T products, relevant experience and related professional services in combating the pandemic and addressing livelihood needs. In this regard, the CEDB jointly organised webinars with Thailand, Indonesia and Malaysia respectively during June to September 2020, thereby strengthening B&R people-to-people bond and exploring new business opportunities.

In 2021-22, the Government will continue to proactively play the role of "facilitator" and "promoter", including enhancing policy co-ordination with relevant Central Authorities; co-organising the sixth Belt and Road Summit with the HKTDC in 2021; continuing to enhance B&R exchanges and collaboration through the Platform; and promoting closer partnership and project interfacing amongst enterprises and professional services sector of Hong Kong. We will also encourage Hong Kong enterprises and professional services sector to make use of the Mainland's overseas Economic and Trade Co-operation Zones in developing business.

For 2021-22, the Belt and Road Office under the CEDB will have a total establishment of 21 posts, and the estimated overall expenditure is about \$39.96 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2094)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work on exploring travel bubble arrangement with overseas economies and reaching agreement on the Hong Kong-Singapore Air Travel Bubble arrangement, will the Government inform this Committee of the following:

1. Apart from Singapore, how many overseas economies has the Government undergone discussion with for the travel bubble arrangement?
2. As the vaccination programme of Hong Kong has begun, how many overseas economies is the Government undergoing discussion with for the travel bubble/"vaccine passport" arrangement to facilitate vaccinated persons to go on holiday or business trips, with a view to resuming tourism activities?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 79)

Reply:

In the past year, the development of the COVID-19 epidemic has been fluctuating. Under relatively stable epidemic situations, the Government endeavours to resume cross-border travel in a gradual and orderly manner, and explored from mid-2020 the establishment of "Travel Bubbles" with overseas economies that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong (namely Japan, Korea, Thailand, Australia, New Zealand, Vietnam, Malaysia, France, Germany, Switzerland, and Singapore), while balancing the need to protect public health under the strategy of preventing the importation of cases.

Notwithstanding that the inaugural flights under the "Air Travel Bubble" (ATB) arrangement agreed with Singapore in November 2020 were deferred due to the fourth wave of the epidemic in Hong Kong, the two governments have been discussing the arrangements for re-launching ATB in view of the gradual stabilisation of Hong Kong's epidemic situation since mid-February 2021. In addition, we have recently invited overseas

economies that have better epidemic control for the time being, including Thailand, Vietnam, Australia and New Zealand, to resume exploring the establishment of “Travel Bubbles”. In any event, the Government will continue to closely monitor the epidemic development, and also consider resumption of cross-border travel with overseas economies in a gradual and orderly manner with a set of stringent anti-epidemic measures provided that the local epidemic situation remains stable and make announcement in due course.

COVID-19 is still ravaging globally. With vaccination programmes being implemented in different places, and gradual publishing of clinical user statistics as well as immunisation responses, the Government can obtain more information on the efficacy and quality of various COVID-19 vaccines. The Food and Health Bureau (FHB) will continue to closely monitor the vaccination situation and the epidemic developments in Hong Kong and around the world, and make reference to relevant guidelines promulgated by the World Health Organization. Upon consolidating the relevant information and with regard to the anti-epidemic strategy of the Government, and subject to the local vaccination progress in Hong Kong, FHB will consider if vaccination should be one of the requirements for travellers visiting Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)089

(Question Serial No. 2112)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the earmarking of a total of \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time, will the Government inform this Committee of the following:

1. Apart from the Yim Tin Tsai Arts Festival and the City in Time, what other projects will be introduced?
2. What are the amount of provisions required, and the commencement and completion dates for each of the projects?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 80)

Reply:

The Government will allocate \$169 million to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) "City in Time" - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of "City in Time" for three years to offer "now and then" experiences to visitors in more locations. • "City in Time" is a tourism project, under which TC is partnering with the School of Creative Media, City

Initiatives	Details and Latest Progress
	<p>University of Hong Kong, to take forward the project by using augmented reality and creative multimedia technology through mobile application to bring back to life the history of individual landmarks of Hong Kong, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.</p>
<p>(2) “Design District Hong Kong” (#ddHK) – New tourism projects with creative, artistic and cultural elements</p>	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “#ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
<p>(3) “Yim Tin Tsai Arts Festival”</p>	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
<p>(4) “Enhancement of Hiking Trails - Phase II”</p>	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails,

Initiatives	Details and Latest Progress
	<p>enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).</p>

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)090

(Question Serial No. 2113)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary will earmark \$765 million to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry. Will the Government inform this Committee of how the funding will be allocated by the HKTB? Will it be spent on the daily operation or solely on developing new projects? Moreover, has the Government made any preparation for reviving the tourism industry after the epidemic? If yes, what are the projects under preparation, as well as the details of each project?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 81)

Reply:

The Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

According to HKTB's work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> • Cheerleading and boosting domestic consumption (including “Holiday at Home”) • Leveraging various promotional campaigns to maintain Hong Kong’s international exposure • Large-scale promotions to attract visitors when travel gradually resumes • Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors 	248 (32%)
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> • Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel gradually resumes • Partnering with other cities in the GBA for global promotions to build the GBA tourism brand • Creating a smart travel experience for visitors through a one-stop e-solution 	333 (44%)
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> • Enhancing subsidy schemes and sponsoring trade’s participation in trade events to expedite business recovery* • Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually • Organising mega events and supporting other events in town to maintain Hong Kong’s international exposure 	184 (24%)
Total	765

* Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)091

(Question Serial No. 2133)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the Commerce, Industry and Tourism Branch's continued effort to monitor the implementation of pilot scheme by the Hong Kong Tourism Board on supporting tourism events showcasing Hong Kong's local characteristics, will the Government inform this Committee:

1. of the number of tourism events showcasing Hong Kong's local characteristics that were postponed or cancelled due to the pandemic over the past year, and the subsidy amounts involved;
2. whether events that have been postponed or cancelled due to the pandemic may resume after the pandemic is over with no change in subsidy amounts;
3. the number of years the pilot scheme has been in operation and whether any review has been conducted to determine whether it should continue.

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 82)

Reply:

With the additional funding granted since the 2017-18 Budget, the Hong Kong Tourism Board (HKTB) has been implementing the Pilot Scheme for Characteristic Local Tourism Events to provide funding support to registered non-profit-making organisations for staging events showcasing local characteristics with the potential to become attractive events with tourism appeal. The scheme was rolled out in January 2018 and will continue to be implemented in 2021-22.

In 2020-21, an event supported by the scheme was suspended due to the epidemic. The organiser thus withdrew its funding application. The scheme has not released any funding support to the organiser. HKTB encourages the organiser to reapply for funding support under the scheme when the epidemic subsides.

With a view to supporting more tourism events with local characteristics, HKTB has reviewed the scheme in detail after launching three phases of application and adopted enhancement measures in June 2020 to improve the conditions and terms of the scheme to enhance the scheme's attractiveness.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)092

(Question Serial No. 2134)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In relation to the consultancy study on the development of smart tourism, what are its study programme and the required provision? When will the study be completed?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 83)

Reply:

We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The estimated expenditure for the consultancy is around \$3 million. The study is anticipated to be completed within 2021-22.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)093

(Question Serial No. 2752)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Food Truck Pilot Scheme, will the Government inform this Committee of:

1. the Government's staff establishment and expenditure to be incurred for extending the Scheme for another year;
2. the number of venues available for operation and their locations;
3. any plan to increase operation venues;
4. the gross revenue of food trucks and the number of food trucks withdrawn from the Scheme each year since its implementation.

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 84)

Reply:

The Food Truck Office under the Tourism Commission (TC) continues to provide support to the Food Truck Pilot Scheme (the Scheme) during the further extension period of one year. The Food Truck Office is comprised of one Senior Executive Officer, one Health Inspector and one Executive Assistant employed on non-civil servant contract. The Government has earmarked \$3.69 million (including operating and personnel-related expenses) in 2021-22 for continuing to oversee the Scheme.

There are currently 12 operating venues under the Scheme including:

- (i) Golden Bauhinia Square;
- (ii) Tsim Sha Tsui Salisbury Garden;
- (iii) Tsim Sha Tsui Art Square;
- (iv) Central Harbourfront Event Space;

- (v) Ocean Park;
- (vi) Hong Kong Disneyland;
- (vii) Energizing Kowloon East Venue 1;
- (viii) Wong Tai Sin Square;
- (ix) Hong Kong Science Museum;
- (x) Hong Kong University of Science and Technology;
- (xi) Jockey Club HKFA Football Training Centre; and
- (xii) West Kowloon Cultural District.

According to the statements of account submitted by the food truck operators, the gross revenue of 15 food trucks (including the 3 food trucks already withdrawn from the Scheme earlier) was about \$52 million as at end February 2021. The gross revenue by year is shown in the table below:

Gross revenue	2017	2018	2019	2020	2021 (as at end February 2021)
	\$21.17 million	\$19.1 million	\$10.27 million	\$1.26 million	\$0.28 million

The Scheme was launched in February 2017 and 15 food trucks commenced operation successively. Upon the withdrawal of 3 food trucks in December 2019, February 2020 and February 2021, there are currently 12 food trucks operating under the Scheme. TC will continue to maintain communication with food truck operators to facilitate their operation.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)094****(Question Serial No. 2330)**

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please use the table below to provide details of mega events supposed to be organised by the Hong Kong Tourism Board (HKTB) in Hong Kong in the past year.

Event	Date of the event	Descriptions of the event	Estimated expenditure	Number of participants

- (b) Please use the table below to provide details of mega events held in Hong Kong and sponsored by the HKTB in the past year.

Event	Organisation sponsored	Date of the event	Descriptions of the event	Estimated amount of sponsorship	Number of participants

- (c) How many mega events organised or sponsored by the HKTB were cancelled or postponed in the past year due to the epidemic? Is there any loss incurred? If yes, what are the details?

- (d) Please use the table below to provide details of mega events to be organised by the HKTB in Hong Kong this year.

Event	Date of the event	Descriptions of the event	Estimated expenditure	Number of participants

- (e) Please use the table below to provide details of mega events to be held in Hong Kong and sponsored by the HKTB this year.

Event	Organisation sponsored	Date of the event	Descriptions of the event	Estimated amount of sponsorship	Number of participants

- (f) It is mentioned in the Budget that \$765 million will be earmarked to support the HKTB in reviving our tourism industry. How will the HKTB make use of the funding? What are the detailed expenditure breakdowns?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 31)

Reply:

In 2020-21, the mega events which the Hong Kong Tourism Board (HKTB) originally planned to organise included “Hong Kong Dragon Boat Carnival”, “Hong Kong Cyclothon”, “Hong Kong Wine & Dine Festival”, “Hong Kong Winterfest”, “New Year Countdown Celebrations” and “International Chinese New Year Celebrations”.

In view of the COVID-19 epidemic, HKTB had, after careful consideration, cancelled “Hong Kong Dragon Boat Carnival” and “Hong Kong Cyclothon”. Other mega events were changed to “Online+Offline” or “Online” formats with an aim to driving local ambience and providing the trade with platforms for promoting their business while maintaining Hong Kong’s international exposure. Details of the mega events concerned are tabulated below:

Event	Date of the event	Contents	Organising and marketing expenses (HK\$)	No. of participants
Hong Kong Dragon Boat Carnival	19 – 21 June 2020	Event cancelled	0 ^{Note 1}	Not applicable
Hong Kong Cyclothon	15 November 2020	Event cancelled	Around 1.1 million ^{Note 2}	Not applicable
Hong Kong Wine & Dine Festival	11 November – 15 December 2020	Changed to “Online + Offline” format with a one-stop platform to provide online and offline activities, including online wine shop and 34 masterclasses; promoted offers and food events offered by hundreds of restaurants in Hong Kong, etc.	Around 29.6 million	One-stop online platform: 560 000 page views 34 online master classes: around 860 000 viewership

Event	Date of the event	Contents	Organising and marketing expenses (HK\$)	No. of participants
Hong Kong Winterfest	4 December 2020 – 3 January 2021	Changed to “Online” format with virtual Christmas Town, promotions on various festive events organised by attractions and organisations in the city.	Around 9.5 million	Virtual Christmas Town: around 200 000 page views
New Year Countdown Celebrations	31 December 2020	Changed to online broadcast of a 2-minute countdown video on HKTB’s website and social media platforms.	Around 9 million	Over 5 million viewership
“Fortunes at Home” (replaced International Chinese New Year Celebrations)	8 – 26 February 2021	Changed to “Online + Offline” format with a campaign website to promote online Chinese New Year market and offline offers from hotels, attractions, restaurants and the retail sector.	Around 9.6 million	Campaign website: around 510 000 page views

Note 1: In view of the COVID-19 epidemic, HKTB announced the cancellation of the event 3 months before the event date.

Note 2: The event was cancelled in view of the COVID-19 epidemic. However, as the preparatory work for the event had started, HKTB still had to bear some expenditures.

In 2020-21, 2 events supported by HKTB were postponed or suspended due to the epidemic. HKTB has not released any funding support to these organisers.

In 2021-22, HKTB receives an additional funding of \$249 million for organising and sponsoring mega events. HKTB will closely monitor the latest situation of the epidemic and make timely adjustment to the strategy, format and arrangement of organising mega events in order to optimise use of the funding. When event scales and formats are finalised, HKTB will designate target indicators and estimated participants, etc. for each event. At the moment, HKTB’s planned mega events for 2021-22 include:

Event	Date of the event	Contents
Hong Kong Cyclothon	Mid-October 2021 (to be confirmed)	A large-scale cycling event with Guangdong-Hong Kong-Macao Greater Bay Area (GBA) elements under consideration.
Hong Kong Wine & Dine Festival	Mid-October - mid-November 2021 (to be confirmed)	Plan to stage in “Online + Offline” format, including a 4-day physical event and a diversified online platform to provide online gourmet information, online wine shop, online masterclasses as well as offers and events from local restaurants, etc.
Hong Kong Winterfest	26 November 2021 - 2 January 2022	Christmas Tree installation at the Statue Square and promotion of Christmas light decorations, installations and festive events held in various districts.
New Year Countdown Celebrations	31 December 2021	A pyromusical countdown show illuminated at Victoria Harbour.
International Chinese New Year Celebrations	1 February 2022	A parade celebration on the first day of the Chinese Lunar New Year, followed by parade floats exhibition and performances.

Besides, as at mid-March 2021, HKTB plans to fund the staging of the following events in Hong Kong in 2021-22:

Event	Sponsored organisations	Date of event	Contents	Funding ceiling (HK\$)	Expected no. of participants
Hong Kong Open	Hong Kong Golf Association and Hong Kong Golf Club	25 - 29 November 2021 (to be confirmed)	Professional international golf tournament	15 million	To be confirmed
“HK We Care” Tai O Festival 2021	Wofoo Social Enterprises	18 September - 10 October 2021	Through large-scale festival celebrations and activities with local culture of Tai O, visitors can experience the fishing village culture.	Around 1.5 million	Around 33 000

Event	Sponsored organisations	Date of event	Contents	Funding ceiling (HK\$)	Expected no. of participants
“Tai O Let’s Go!” Tai O Cultural Festival 2021	The Hong Kong Federations of Youth Groups	20 - 28 November 2021	Visitors can experience fishing village cultural activities and sample Tai O’s traditional delicacies, stilt houses, sampan boats and other traditional festive rituals.	Around 1.9 million	Around 6 000

HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong’s international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong’s tourism image to capture high-yield visitor segments.

According to HKTB’s work plan, the additional funding will be deployed in the following 3 areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of budget)
Short-term <ul style="list-style-type: none"> • Cheerleading and boosting domestic consumption (including “Holiday at Home”) • Leveraging various promotional campaigns to maintain Hong Kong’s international exposure • Large-scale promotions to attract visitors when travel gradually resumes • Revamping Mainland strategy, increasing marketing resources in the GBA markets, to attract leisure visitors 	248 (32%)
Medium-to-long term <ul style="list-style-type: none"> • Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media 	333 (44%)

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of budget)
to rebuild Hong Kong's tourism image when travel gradually resumes <ul style="list-style-type: none"> ● Partnering with other cities in the GBA for global promotions to build the GBA tourism brand ● Creating a smart travel experience for visitors through a one-stop e-solution 	
Ongoing initiatives <ul style="list-style-type: none"> ● Enhancing subsidy schemes and sponsoring trade's participation in trade events to hasten business recovery ^{Note 3} ● Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually ● Organising mega events and supporting other events in town to maintain Hong Kong's international exposure 	184 (24%)
Total	765

Note 3: Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)095

(Question Serial No. 2331)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The main responsibilities of the Commerce, Industry and Tourism Branch under this programme are to formulate policies on tourism development and co-ordinate implementation of tourism projects and initiatives. In this connection, please advise this Committee of the following:

- (a) In 2017-18, the Government began to adopt the following 4 new strategies to encourage and support different organisations to stage events or activities in Hong Kong: (1) providing “one-stop” support for large-scale commercial events with significant tourism merits, (2) cultivating home-grown events to enhance their status, (3) providing funding support for international events with significant branding impact on Hong Kong, and (4) introducing a pilot scheme to provide funding support for tourism activities that showcase Hong Kong’s local characteristics and have tourism merits. What kind of work or projects did the Government implement under these 4 strategies in 2020-21, and what were the expenditures involved? What kind of work or projects does the Government expect to implement in 2021-22, and what are the expenditures involved?
- (b) \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time. Please provide the following:
- i) Government expenditure on taking forward the Yim Tin Tsai Arts Festival and the City in Time in the past year;
 - ii) projected Government expenditure on organising the latest Yim Tin Tsai Arts Festival this year;
 - iii) projected Government expenditures on maintaining and implementing the second phase of the City in Time project; and
 - iv) concrete details of the new phase of the creative tourism project “Design District Hong Kong” and the estimated expenditure involved.

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 32)

Reply:

Since 2017-18, the Government has been adopting a new strategy to support the staging of events and activities with different scales and nature in Hong Kong to tie in with our policy objective of diversification and attracting high-yield overnight visitors. The Government allocated \$277 million in 2020-21 to continue implementing the strategy as follows:

- The Tourism Commission (TC) to provide “one-stop” support to large-scale commercial events with significant tourism merits, including enhancing the communication and cooperation among the organisers and the Government bureaux / departments;
- To enhance home-grown events with a view to marketing them as signature events in Asia;
- To support the marketing and publicity of international events with significant branding impact to be held continuously in Hong Kong; and
- To implement the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for arts, cultural, festivals, dining or sports events with Hong Kong’s local characteristics and unique attributes.

However, as a result of the epidemic, the scheduled mega events or activities in 2020-21 were either cancelled, postponed or changed to “Online+Offline” or “Online” formats.

In 2021-22, the Government will allocate \$249 million to continue the implementation of the above strategy. The Government will keep in view the development of the epidemic situation and adjust the relevant work as appropriate.

“Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019. The estimated expenditure of the project in 2020-21 is about \$13 million. The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands.

“City in Time” is a tourism project, under which TC partners with the School of Creative Media, City University of Hong Kong, to bring back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021. The estimated expenditure of “City in Time” project in 2020-21 is about \$12 million. Also, the Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations.

“Design District Hong Kong” is a three-year creative tourism project jointly launched by TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation in 2018, which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives. The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “Design District Hong Kong” for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)096****(Question Serial No. 3142)**

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Bureau please provide the balance, government injection amount, investment or other income and total expenditure of the following funds in 2019-20? If there are other funds within the purview of the Bureau not being listed below, please also provide information as per the items above.

1. Consumer Legal Action Fund
2. Dedicated Fund on Branding, Upgrading and Domestic Sales
3. SME Export Marketing and Development Funds

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 75)

Reply:

Please see below for the details of the 3 Funds referred in the question in 2019-20.

Name of Fund	Government injection (\$million)	Investment or other income (\$million)	Total expenditure (\$million)	Balance up to 31 March 2020 (\$million)
Consumer Legal Action Fund	0	0.54	0.86	15.58
Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund")	2,000	0	144.82	3,785.25 ^{Note 1}

Name of Fund	Government injection (\$million)	Investment or other income (\$million)	Total expenditure (\$million)	Balance up to 31 March 2020 (\$million)
Export Marketing and Trade and Industrial Organisation Support Fund (“EMTSF”) ^{Note 2}	1,000	0	343.2	2,823.5 ^{Note 3}

Note 1: The total government injection into the “BUD Fund” from 2012 to 31 March 2020 was \$4.5 billion.

Note 2: The “SME Export Marketing and Development Fund” was renamed as the “EMTSF” on 1 October 2018, and incorporated the previous “Organisation Support Programme” under the “BUD Fund”.

Note 3: The total government injection into the “EMTSF” from 2001 to 31 March 2020 was \$7.25 billion.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)097

(Question Serial No. 0219)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the review of the legislative proposal for a statutory cooling-off period for certain consumer contracts, as well as the timing for introducing the legislation, what is the progress of the review? When does the Government plan to complete the legislative proposal and submit it to the Legislative Council for scrutiny?

Asked by: Hon MAK Mei-kuen, Alice (LegCo internal reference no.: 1)

Reply:

The Commerce and Economic Development Bureau launched a three-month public consultation in 2019 to study the proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts through legislation. However, shortly after the completion of the public consultation, there has been drastic change in social environment, economic situation and consumption sentiment following the social incidents since the second half of 2019 and the COVID-19 outbreak since early 2020. We have to examine the details of the relevant legislative proposals, having regard to the actual circumstances and critically review the timing for introducing the legislation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)098

(Question Serial No. 0200)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the response towards the Food Truck Pilot Scheme is less than satisfactory, some food truck operators have quitted the Scheme owing to operation difficulties or other reasons. Coupled with the impact of the epidemic, many operators chose to shut down their businesses. Will the Government set aside and allocate more resources in 2021-22 for further promotion or refinement of the Scheme? If yes, what are the details and estimated expenditure? If no, what are the reasons? Will the Government further extend or regularise the Scheme? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 160)

Reply:

The two-year Food Truck Pilot Scheme (the Scheme) was launched on 3 February 2017 and has been extended for two more years till 2 February 2021. Having evaluated the impact of the COVID-19 epidemic on food truck operation and the development of the Scheme so far, the Government decided to extend the Scheme again for another year up to 2 February 2022. The Government has earmarked \$3.69 million (including operating and personnel-related expenses) in 2021-22 for continuing to oversee the Scheme. The manpower and expenditure on the publicity of the Scheme have subsumed within the establishment and provision of the Food Truck Office which cannot be quantified separately. The Tourism Commission will continue to maintain communication with food truck operators to facilitate their operation and collect more data on the business performance of food trucks so as to determine the way forward of the Scheme.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0299)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade Development Council (TDC) has always stressed that it will assist the small and medium enterprises (SMEs) and start-ups in Hong Kong to leverage the business opportunities of online shopping with a view to enhancing their competitiveness in the digital era, help SMEs identify other production bases, and help SMEs strengthen their engagement with the public and major stakeholders via social media. However, the Budget has not touched on these. Will the Government advise on the specific contents and relevant measures in this respect in the coming year? Please also provide details of the estimated provisions, manpower establishment and expected outcomes in this respect in the coming year.

Asked by: Hon Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 156)

Reply:

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to the Hong Kong Trade Development Council (TDC) from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms. TDC will enhance its capability to organise online activities in order to provide a seamless event experience for users (e.g. enhancing instant interaction functions, using artificial intelligence to help users conduct year-round business matching). At the same time, TDC will proceed with digitalisation to enhance its overall service efficiency and quality, as well as upgrade its online service system to facilitate service users and provide personalised market analysis. TDC will also strengthen big data analysis to help forecast future business trends, and provide to small and medium enterprises (SMEs) services that are more effective, more diversified and better suit their needs.

Besides the aforementioned work to develop virtual platforms and proceed with digitalisation, in 2021-22, TDC will continue to equip SMEs through different measures and

promote Hong Kong's products and services. Amongst others, TDC will provide training in e-commerce and digital business to participating companies through events like "Digital Academy" and "E-tailing Academy"; and help Hong Kong companies explore different supply chain cooperation options in the overseas Economic and Trade Co-operation Zones set up by the Mainland. Furthermore, TDC has set up over 60 accounts in different languages on social media platforms such as Facebook, Instagram, Twitter, LinkedIn, YouTube, Weibo and WeChat. TDC will strengthen the use of these platforms to promote its activities in order to increase exposure for Hong Kong's products and services.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)100

(Question Serial No. 0300)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has endeavoured to promote in-depth district tourism in recent years to drive visitors to explore Hong Kong's local living culture and districts' characteristics. The Hong Kong Tourism Board (HKTB) has rolled out the "Hong Kong Neighbourhoods" campaign to introduce to tourists neighbourhoods such as the Old Town Central and Sham Shui Po. Has the HKTB identified other suitable districts at this stage for an extension of this type of tourism project to other districts rich in local characteristics? If yes, what are the relevant timetable and estimated expenditure?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 164)

Reply:

The Hong Kong Tourism Board (HKTB) has rolled out "Hong Kong Neighbourhoods" campaign since 2017. The campaign so far has been promoting "Old Town Central" and "Sham Shui Po" districts to visitors to promote the city's neighbourhoods apart from conventional tourist spots in order to extend visitors' length of stay and broaden their footprint in Hong Kong. The campaign has been well received by visitors and travel trade; and local residents and shop operators acknowledged that the campaign has brought impetus to the local economy.

For the additional funding proposed to allocate to HKTB by the Government in 2021-22, about \$35.5 million will be allocated for continuing the promotion of "Old Town Central" and "Sham Shui Po" districts as well as other districts rich in local characteristics under the framework of the "Hong Kong Neighbourhoods", including the West Kowloon District to dovetail promotional efforts of the soon-to-be-opened M+ and the Hong Kong Palace Museum.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)101

(Question Serial No. 0302)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (TDC) has been supporting the Government to implement its policy on the Belt and Road Initiative by further tapping into ASEAN markets and helping Hong Kong companies develop service and consumer markets targeting regions along the Belt and Road. In this connection, what are the total expenditure involved and the overall effectiveness of the above work over the past 5 years? How much provision will be made for such work in the coming year? Please tabulate the Belt and Road regions that will see increases in publicity and promotion and the details of the expenditure involved. How much manpower will be deployed by TDC on the above publicity and promotion work in the coming 5 years?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 155)

Reply:

The Commerce and Economic Development Bureau (CEDB) has been working together with the Hong Kong Trade Development Council (HKTDC) in promoting Hong Kong's participation in the Belt and Road Initiative (B&RI). In this relation, the HKTDC:

- co-organised the annual Belt and Road Summit with the Government, which is renowned as the largest and most important Belt and Road (B&R) business and investment platform for the Mainland, overseas, and Hong Kong enterprises;
- enhanced its B&R Portal into a more comprehensive and up-to-date one-stop B&R platform upon the engagement by the Government and with its support. In addition to overviews on and market information of B&R related countries, information on B&R related investment projects is also available to further facilitate B&R participation of enterprises and the professional services sector;

- assisted the Government in conjunction with the local innovation and technology (I&T) sector in launching the I&T Inventions Experience Sharing and Business Promotion Platform in June 2020;
- co-organised with the Government a series of forums, sharing and business matching sessions;
- introduced the SME Transformation Sandbox (“T-box”) with support from the Government; and
- jointly organised with the Government or other organisations a number of business and professional missions to B&R related countries and regions, thereby promoting Hong Kong’s unique strengths.

Apart from the work above, daily work of the HKTDC when performing its statutory functions may also touch on the B&RI.

Regarding the Government, we have been enhancing efforts at a policy level, including signing 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) in December 2017. In accordance with the Arrangement, Joint Conferences with the Central Authorities were convened in 2018, 2019 and 2020 to foster collaboration and follow up on its implementation. The high-level meetings of the Mainland and Hong Kong Belt and Road Task Group were held in December 2018 and November 2019 respectively to maintain direct communication and collaboration with relevant Central Authorities. The Government also organised a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing to showcase Hong Kong’s unique position as the prime platform and a key link for the B&RI.

In 2021-22, the Government will continue to proactively play the role of “facilitator” and “promoter” and work with the HKTDC in taking forward the B&RI. Resources required by HKTDC in taking forward such efforts are included in its overall expenditure and manpower, and cannot be quantified separately. Within the Government, the relevant work is under the purview of the CEDB’s Belt and Road Office, and its estimated overall expenditure for 2021-22 is about \$39.96 million, which is included in the financial provision under Programme (2) Commerce and Industry.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)102

(Question Serial No. 0306)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 47 of the Budget Speech, the Government will extend the geographical coverage of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) from 20 to 37 economies so as to support enterprises in exploring more diversified markets. The funding ceiling for each enterprise will also be increased from \$4 million to \$6 million. When will these enhancement measures be implemented? Will the Government remove the restrictions on geographical coverage so that all parts of the world are covered under the BUD Fund? If yes, what are the details; if no, what are the reasons? What are the respective manpower and expenditure involved in processing funding applications this year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 53)

Reply:

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs) to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements (IPPAs).

The Government plans to implement BUD Fund's enhancement measures by phases according to the timetable below:

Phase 1 (July 2021)	<ul style="list-style-type: none"> • Increase the cumulative funding ceiling for each enterprise from \$4 million to \$6 million • Extend the geographical coverage to Japan and the Republic of Korea
Phase 2 (Q1 2022)	<ul style="list-style-type: none"> • Extend the geographical coverage to Austria, Belgo-Luxembourg Economic Union, Canada, Denmark, Finland, France, Germany, Italy, Mexico, the Netherlands, Sweden and the United Kingdom
Phase 3 (Q2 2022)	<ul style="list-style-type: none"> • Extend the geographical coverage to Kuwait and the United Arab Emirates

The geographical coverage will be automatically extended to new FTA and IPPA economies as our FTA and IPPA network gradually expands. Director-General of Trade and Industry will from time to time review and further adjust the BUD Fund's geographical coverage and funding ceilings as appropriate, having regard to the ever-changing market needs and situation.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The expenditure of the BUD Fund in 2021-22 is estimated to be \$687 million (including the implementation fees provided to Hong Kong Productivity Council for operating the BUD Fund, and funding disbursed to the grantees).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)103

(Question Serial No. 0310)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated expenditure for Programme (6) Travel and Tourism in 2021-2022 represents a decrease of 70.9% over the revised estimate for 2020-2021. What is the breakdown of the expenditure involved and what are the reasons? Meanwhile, 13 posts will be deleted in the manpower establishment for 2021-2022. Will the Bureau inform this Committee of the areas of work for these posts and the expenditure on the emoluments?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 161)

Reply:

In Programme (6), provision for 2021-22 is \$3,429.0 million (70.9%) lower than the revised estimate for 2020-21. This is mainly due to the decreased cash flow requirement for the non-recurrent funding support to the Ocean Park Corporation (\$3,349.5 million) and the lapse of time-limited provision for tourism initiatives (\$80.1 million), partly offset by increased provision for other operating expenses.

Separately, 13 posts under Programme (6) will be deleted upon lapse in 2021-22. The saving of salary provision is about \$4.1 million. Details are as follows:

Rank	Number of post(s)	Job nature and area of work
Senior Estate Surveyor	1 [#]	To provide support for taking forth tourist facilitation measures in relation to transport connectivity.
Chief Executive Officer	1 [#]	To provide support for the implementation of the Food Truck Pilot Scheme.
Assistant Clerical Officer	1 [#]	
Senior Executive Officer	1 [*]	To provide support for the licensing of travel agents.
Executive Officer I	1 [*]	
Senior Treasury Accountant	1 [*]	To provide support for the establishment of the Travel Industry Authority.
Chief Executive Officer	1 [*]	
Senior Executive Officer	1 [*]	
Treasury Accountant	1 [*]	
Executive Officer I	2 [*]	
Personal Secretary I	1 [*]	
Assistant Clerical Officer	1 [*]	

[#] The posts will be deleted upon lapse on 1 April 2021.

^{*} The posts will be deleted upon lapse on 1 March 2022.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)104

(Question Serial No. 0312)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2021-22, the Commerce, Industry and Tourism Branch will have discussions with major trading partners like the Mainland, Taiwan, and ASEAN on enhancing economic co-operation, and strengthen efforts to promote the business advantages of Hong Kong as well as to attract more multinational companies to set up operations and regional headquarters in Hong Kong. Please advise this Committee of the total expenditure involved in the relevant work in the past 5 years and the overall effectiveness. How much provision will be made for the above work in the coming year? Which regions, the Government has in mind, are of greater development potential and will be targeted for strengthening promotion and publicity efforts? Please set out the figures and work progress in respect of each region in table form.

Asked by: Hon NG Wing-ka (LegCo internal reference no.: 83)

Reply:

As far as investment promotion is concerned, Matters Requiring Special Attention for the Commerce, Industry and Tourism Branch in 2021-22 are to “continue to leverage digital platforms, step up global promotion of Hong Kong’s business advantages, strengthen outreach to investors and attract multinational companies to set up regional or global operations in Hong Kong so as to capitalise on the opportunities arising from the Greater Bay Area Development and Belt and Road Initiative, and dynamically adjust investment promotion strategies in response to the COVID-19 situation”.

In the four consecutive years from 2016-17 to 2019-20, the total actual expenditure of Invest Hong Kong (“InvestHK”), under the Commerce, Industry and Tourism Branch, on investment promotion work was \$170 million. The revised estimated expenditure in 2020-21 is \$52 million. The figures do not include staff cost and general administrative overhead expenses which cannot be quantified separately.

In the past five years (2016-2020), InvestHK completed a total of 2 033 projects. The breakdown is as follows:

Year	Number of projects completed *					
	2016	2017	2018	2019	2020#	Total
Mainland	82	86	101	120	79	468
Association of Southeast Asian Nations (“ASEAN”)	19	23	22	29	26	119
Other regions	290	293	313	338	212	1 446
Total	391	402	436	487	317	2 033

* “Projects completed” cover those overseas or Mainland companies which set up or underwent significant expansion in Hong Kong with the assistance of InvestHK.

The figures in 2020 dropped due to the impact of the COVID-19 pandemic on investment.

The Mainland, a key engine of global economic growth, is a priority market of InvestHK in attracting investment. InvestHK will continue to step up its promotion efforts in attracting more Mainland companies to invest in Hong Kong as well as promoting Hong Kong’s role as an ideal platform for Mainland companies to “go global”. These investment promotion efforts include organising investment promotion seminars in various Mainland cities, and strengthening InvestHK’s digital marketing and social media strategies for the Mainland market.

InvestHK will also conduct a series of extensive investment promotion visits and events (physical and virtual) to the ASEAN markets with focus on Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. The establishment of Investment Promotion Units in Jakarta in 2018 and in Bangkok in late 2019 enables InvestHK to further strengthen its investment promotion efforts in the key ASEAN market.

Beyond Asia, InvestHK’s priority markets are the Americas, Australia, Europe, India and Middle East (including Israel). InvestHK underlines Hong Kong’s business advantages to attract more companies to set up businesses in Hong Kong. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with overseas companies that have set up in Hong Kong to facilitate their business expansion.

The estimated expenditure of InvestHK on investment promotion work in 2021-22 is about \$52 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)105

(Question Serial No. 0338)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 28 of the Budget Speech that the Government will enhance the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS) by increasing the maximum loan amount per enterprise to \$6 million and extending the repayment period to 8 years. However, no mention of lowering the interest rate is made. To alleviate the burden of small and medium enterprises in Hong Kong, which have also been badly hit by the epidemic, will the Government reconsider extending the arrangements under the Special 100% Loan Guarantee for Individuals Scheme, i.e. 1% interest rate and reimbursement of the interest paid to applicants who have repaid their loans as scheduled, to cover the Special 100% Loan Guarantee under the SFGS? If yes, what are the details? If no, what are the reasons? What will be the manpower and expenditure involved in processing the applications under the scheme this year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 51)

Reply:

The Government has been helping businesses obtain commercial loans by providing loan guarantees under the SME Financing Guarantee Scheme (SFGS). To assist enterprises hard hit by the COVID-19 epidemic in coping with cash flow problems, the Government launched on 20 April 2020 the Special 100% Guarantee Product under the SFGS to provide low-interest concessionary loans to small and medium enterprises (SMEs), with the loan interest rate fixed at Hong Kong Prime Rate minus 2.5% per annum (i.e. effective interest rate currently at 2.75%). The Special 100% Guarantee Product has been well-received by businesses since its launch. As at end February 2021, \$45.33 billion of loans were approved, benefitting over 21 000 enterprises, involving over 268 000 employees.

As the epidemic has been lingering on for over one year, to continue to relieve the cash flow pressure of SMEs, the Financial Secretary announced in the 2021-22 Budget the extension

of the application period of the Special 100% Guarantee Product to 31 December 2021; and further increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months, with the ceiling increasing from \$5 million to \$6 million. In addition, having considered the repayment pressure faced by SMEs, the maximum repayment period would be extended from five years to eight years; while the maximum duration of principal moratorium would be extended from 12 months to 18 months, thereby relieving the burden on SMEs.

The manpower and expenditure for the SFGS have been subsumed within the provision of the Commerce, Industry and Tourism Branch, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)106

(Question Serial No. 0339)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 116 of the Budget Speech that the Government will submit a funding application to the Legislative Council within this year to redevelop the Air Mail Centre at the Hong Kong International Airport so as to foster cross-border logistics and trading activities and grasp business opportunities in electronic commerce. What is the timetable for the redevelopment project? What is the estimated construction cost? Will the Bureau advise this Committee of the staff establishment and estimated expenditure involved in the relevant preparatory work?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 85)

Reply:

The Government would submit a funding application to the Legislative Council within this year to redevelop the Air Mail Centre (AMC), with a view to bringing it into operation by end 2027 the earliest. The estimated total project cost, comprising design and construction, related demolition, decantation and acquisition of new equipment is HK\$4,611.3 million in money-of-the-day price. Details of the proposal are set out in the paper submitted to the Panel on Economic Development of the Legislative Council earlier for discussion at its meeting on 22 March.

The Commerce and Economic Development Bureau is responsible for monitoring Hongkong Post's (HKP) AMC redevelopment project. The work is covered by existing manpower, and there is no separate staff establishment and estimated expenditure. On the other hand, HKP has established a dedicated team responsible for mega postal infrastructure including the AMC redevelopment project and reprovisioning of the General Post Office Building through redeploying internal resources.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)107

(Question Serial No. 0352)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 49 of the Budget Speech that the Government will earmark \$765 million to support the Hong Kong Tourism Board in reviving our tourism industry, including the launching of promotional programmes such as “Holiday at Home” and “360 Hong Kong Moments”, and the “Open House Hong Kong” platform for rolling out promotional offers, as well as conducting a comprehensive review of the positioning of Hong Kong’s tourism in the long run in response to the “new normal” after the epidemic with a view to formulating appropriate strategies to spur the recovery of the tourism industry. Will the Government inform this Committee of the details of the allocation of such funding, the staff establishment and the estimated expenditure involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 102)

Reply:

The Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong’s ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong’s international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong’s tourism image to capture high-yield visitor segments.

According to HKTB's work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> • Cheerleading and boosting domestic consumption (including “Holiday at Home”) • Leveraging various promotional campaigns to maintain Hong Kong’s international exposure • Large-scale promotions to attract visitors when travel gradually resumes • Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors 	248 (32%)
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> • Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel gradually resumes • Partnering with other cities in the GBA for global promotions to build the GBA tourism brand • Creating a smart travel experience for visitors through a one-stop e-solution 	333 (44%)
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> • Enhancing subsidy schemes and sponsoring trade’s participation in trade events to expedite business recovery* • Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually • Organising mega events and supporting other events in town to maintain Hong Kong’s international exposure 	184 (24%)
Total	765

* Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

Since the work mentioned above will be jointly undertaken by the HKTB head office and worldwide offices, the staff establishment cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)108

(Question Serial No. 0379)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2021-22, the Hong Kong Trade Development Council plans to launch major international promotions titled “Think Business, Think Hong Kong”, with a view to repositioning its two mega promotions in mature and emerging markets under this unified brand as part of the effort to re-establish Hong Kong as an international business and investment hub after the epidemic. Will the Bureau advise this Committee of the estimated expenditure for these promotional campaigns? Has the current unstable epidemic situation affected the plans for such campaigns? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 101)

Reply:

To help re-establish Hong Kong as an international business and investment hub post-pandemic, the Hong Kong Trade Development Council (TDC) will reposition its two mega promotions in mature and emerging markets, i.e. “Think Asia/Global, Think Hong Kong” and “InStyle · Hong Kong”, under a unified brand “Think Business, Think Hong Kong”.

When the pandemic situation has improved, TDC will hold the unified branded mega promotion event in Thailand, Italy and Spain by gathering governments, business sectors and professional bodies, in order to comprehensively showcase Hong Kong's core capabilities and attract companies in these target markets to expand businesses through Hong Kong. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)109****(Question Serial No. 0393)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Financing Guarantee Scheme (SFGS):

- a) What are the figures for the number of applications received, the number of SME beneficiaries, the number and average amount of defaults on loans received, as well as the average amount of each guarantee approved under SFGS over the past 5 years?
- b) What are the figures for the number of applications received, the number of SME beneficiaries, the number and average amount of defaults on loans received, as well as the average amount of each guarantee approved since the introduction of the new Special 100% Guarantee Product under SFGS?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 212)

Reply:

From January 2016 to end February 2021, the application figures of various guarantee products under the SME Financing Guarantee Scheme are as follows:

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Number of Applications Received	9 916	3 170	29 394
Average Loan Guarantee Amount of Approved Cases (\$)	3.62 million	1.67 million	1.59 million
Number of	4 064	2 872	21 481

	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Benefitted Enterprises			
Number of Default Cases	737	1	10
Average Loan Guarantee Amount of Default Cases (\$)	2.16 million	1.22 million	1.74 million

Note: The 90% Guarantee Product was launched on 16 December 2019; and the Special 100% Guarantee Product was launched on 20 April 2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)110

(Question Serial No. 0427)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In view of the growing popularity of in-depth local tourism around the world, we must train a substantial number of members of the tourism industry (especially tourist guides and tour escorts) to gain a profound understanding of local history, culture, heritage and other related aspects if Hong Kong is to develop its own characteristic local tourism. Will the Bureau consider increasing the funds allocated to and estimated expenditure for the Travel Industry Council of Hong Kong to provide funding support for the training of members of the tourism industry in relevant areas, as well as offering more related courses through the Employees Retraining Board, so that industry members can more professionally introduce tourists to local cultural characteristics and thus help to enhance the overall service quality of our tourism industry? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 162)

Reply:

From 2017-18 onwards, the Government allocated funding to the Travel Industry Council of Hong Kong (TIC) to subsidise training joined by travel trade practitioners. The Government further allocated funding to the TIC for expanding the Training Programme Subsidy Scheme in October 2019 to subsidise tourist guides in completing the Continuing Professional Development Scheme for renewing their passes, and each tourist guide can receive subsidy up to \$1,000. The Government suggested in the 2020-21 Budget allocating additional funding of \$8 million from 2020-21 to 2021-22 for the TIC to enhance training of the trade.

In 2021-22, the Employees Retraining Board (ERB) will offer 16 tourism-related courses, including the "Foundation Certificate in In-depth District Tourism Knowledge and Guided Tour Skills (Part-time)" which is planned to be launched in Q2 this year. The course content will cover elements on culture, history and heritage, so as to enhance the

understanding of travel practitioners on Hong Kong's culture, history and heritage. The ERB welcomes views from the travel trade so as to offer suitable courses to enhance the overall service quality of the industry.

To take forward the implementation of the Qualifications Framework for the travel industry, the Education Bureau established the Travel Industry Training Advisory Committee in 2018. The Committee is drawing up the Specification of Competency Standards for the industry, which will set out the knowledge, skills and competency standards required of practitioners in various job functions of the industry to facilitate relevant organisations' development of courses that suit the industry's needs, and serve as a useful reference for employers to develop in-house training and human resource management functions. It is expected that the Committee will finish drawing up the Specification of Competency Standards in 2021-22.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)111

(Question Serial No. 0555)

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

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

Programme: (6) Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the matters requiring special attention of the Hong Kong Tourism Board in 2021-22 is to reinforce Hong Kong's position as a leading cruise hub in the region. Regarding the development of the cruise terminal, will the Government inform this Committee of the following:

- 1) Will additional financial resources be allocated to the terminal building, berths and ancillary facilities of the cruise terminal? If yes, what is the estimated expenditure involved? Please provide a breakdown of specific expenditure items and the manpower involved;
- 2) What were the total numbers of cruise vessels berthed at the cruise terminal in the past 5 years? What were their percentages in relation to the total utilisation, and whether the original target had been met;
- 3) Since the commissioning of the cruise terminal in 2013, its popularity has always been questioned. The Director of Audit's report also pointed out that more than half of the commercial area of the cruise terminal was not let out. What specific targeted measures does the Government have in place to lower the vacancy rate of shops?
- 4) What are the staff establishment and estimated expenditure involved in promoting fly-cruise tourism and rail-cruise tourism, as well as in expanding the Asia Cruise Cooperation network in the coming year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 166)

Reply:

The Kai Tak Cruise Terminal (KTCT) has been commissioned for about eight years since 2013, and there is no need for additional resources for carrying out large-scale works for the terminal building, its berths and ancillary facilities. However, we have been improving the facilities of the terminal building in response to the feedback from the cruise trade and other users, such as expanding the VIP rooms to enhance passengers' experience. The cost of the works concerned will be covered by the Block Allocations for Minor Building Works/Slope not exceeding \$2 million under the Architectural Services Department.

The number of ship calls at KTCT in the past 5 years is tabulated as follows:

Year	Number of ship calls
2016	95
2017	186
2018	170
2019	175
2020*	24

* Due to the COVID-19 epidemic, immigration service at the two cruise terminals in Hong Kong (i.e. KTCT and Ocean Terminal) has been suspended since 5 February 2020.

KTCT has driven steady growth of cruise tourism figures (including the number of ship calls and cruise passenger throughput) of Hong Kong as a whole. Between 2013 to 2019, the total number of ship calls per year in Hong Kong as a whole increased from 89 to 218 (an increase of 145%); and the total passenger throughput per year increased from around 200 000 to over 900 000 (an increase of 373%). Back in the earlier years when considering the construction of KTCT, the Government projected that the number of ship calls and cruise passenger throughput in Hong Kong as a whole would range from 181 to 258 and from 564 102 to 1 041 031 respectively by 2023. In other words, from 2017 onwards, the number of ship calls and cruise passenger throughput in Hong Kong as a whole both achieved the then projected performance by 2023. Nevertheless, immigration service at the two cruise terminals in Hong Kong has been suspended since February 2020 due to the epidemic situation. Having regard to the latest epidemic development and the gradual resumption of domestic cruise travel in nearby regions such as Taiwan, Singapore and Japan, the Government will continue to explore the feasibility of resuming cruise travel with implementation of effective anti-epidemic and social distancing measures provided that the epidemic situation remains stable.

The utilisation situation of the ancillary commercial areas of KTCT in the past 3 years is tabulated as follows:

Year (As at March)	Occupied floor area as a percentage of the ancillary commercial areas	Number of merchants occupying the commercial areas
2019	100%	7
2020	100%	7
2021*	60%	6

* The terminal operator is taking legal action against a former tenant to seek its removal of its chattels within the premises. The Tourism Commission will continue to urge the terminal operator to re-let the vacant shop as soon as practicable.

Apart from promoting cruise-related business at KTCT, we have been striving to utilise the space within KTCT for purposes other than cruise operation as far as practicable. The ancillary facilities of KTCT (including its ancillary commercial areas and the rooftop garden) are open to members of the public. In addition, some parts of KTCT could be used as event venues when they are not in use for cruise operation, thus making better use of the facilities thereat. About 70 private and public events (including exhibitions, sports events, corporate functions, etc.) were held at KTCT since its commissioning in 2013, and each of those events was able to attract a few hundred to over 50 000 people to participate. The cumulative number of participants for all of those events exceeded 250 000. The terminal operator will continue to promote KTCT as an event venue as far as practicable, with a view to widening the use of the terminal.

Regarding promotion of cruise tourism, the Hong Kong Tourism Board (HKTB) anticipates that cruise tourism will take a longer time to recover, and when the epidemic situation stabilises, HKTB will first start with local promotions on cruise trips that do not visit other ports-of-call apart from Hong Kong, namely “Staycation @ Sea”, together with promotions on the new health and safety standards adopted by the cruise sector, to restore consumer confidence in cruise tourism before gradually promoting the city’s cruise tourism in Mainland and international markets. At the same time, HKTB will increase the matching fund for the cruise sector to help the trade to develop fly-cruise and rail-cruise packages. Individual projects for promoting “fly-cruise”, “rail-cruise” and Asia Cruise Cooperation will be adjusted according to market situations and absorbed by existing staff establishment and expenditure, which can hardly be quantified separately.

For 2021-22, the amount budgeted for promoting cruise tourism by HKTB is around \$26 million, which is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted as necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0576)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 42 of the Budget Speech that the Government will allocate a total of \$375 million to the Hong Kong Trade Development Council (HKTDC) in 3 years for developing virtual platforms to enhance the HKTDC's capability to organise online activities and to proceed with digitalisation. Would the Bureau inform this Committee of how exactly the above funding will be allocated? What are the staffing involved and the estimated expenditure on emoluments? When will the virtual platforms be expected to come into operation?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 89)

Reply:

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to the Hong Kong Trade Development Council (TDC) from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms. TDC will enhance its capability to organise online activities in order to provide a seamless event experience for users (e.g. enhancing instant interaction functions, using artificial intelligence to help users conduct year-round business matching). At the same time, TDC will proceed with digitalisation to enhance its overall service efficiency and quality, as well as upgrade its online service system to facilitate service users and provide personalised market analysis. TDC will also strengthen big data analysis to help forecast future business trends, and provide to small and medium enterprises services that are more effective, more diversified and better suit their needs.

TDC is proceeding with initial preparatory work in this regard, and will consider the need to engage information technology service providers to take forward the relevant work together with existing staff. The launch date of the virtual platform is yet to be confirmed.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)113

(Question Serial No. 0656)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under Matters Requiring Special Attention in 2021–22 that the Commerce, Industry and Tourism Branch (CITB) will collaborate with the Hong Kong Design Centre to take forward the creative tourism project “Design District Hong Kong”. In this connection, what is CITB’s estimated expenditure on related promotion and operation in the coming financial year? Will the project be extended to more districts? If so, what are the details? Will the Bureau advise this Committee of the staffing establishment and estimated expenditure involved in the relevant promotional work for this financial year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 163)

Reply:

“Design District Hong Kong” is a three-year creative tourism project jointly launched by the Tourism Commission (TC), the Hong Kong Design Centre (HKDC) and the Hong Kong Comics & Animation Federation in 2018, which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives. This phase of the project will be completed by mid-2021. HKDC is in charge of the implementation and promotion for the project. The related staffing arrangements and expenditure for the promotion work have been subsumed under the overall project estimate which can hardly be quantified separately.

The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “Design District Hong Kong” for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of

travel experience for visitors with creative and artistic elements. The new phase of “Design District Hong Kong” is still under preparation, and the organiser and details have yet to be identified and confirmed.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)114

(Question Serial No. 0660)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Brief Description under Programme (6): Travel and Tourism that Government fund is deployed to arrange voluntary COVID-19 testing services for frontline staff of hotels. Will the Bureau advise this Committee of the staffing establishment and estimated expenditure involved in the relevant testing services? As the COVID-19 outbreak continues to wreak havoc, will the Bureau devote more funding and extend voluntary testing services to frontline staff of other service sectors? If so, what are the staffing establishment and estimated operational expenditure involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 168)

Reply:

The Tourism Commission arranged free voluntary COVID-19 testing services to frontline staff of hotels in August 2020 and November 2020 respectively. The expenditure involved for the two rounds of testing services is about \$3.68 million which is absorbed within existing resources of the Tourism Commission. The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau, which cannot be quantified separately.

Meanwhile, the Government has been stepping up voluntary testing efforts in a multi-pronged approach. The current maximum daily testing capacity of public and private laboratories has been substantially increased. In addition to providing testing services in 19 community testing centres, the Government is also setting up mobile specimen collection stations to provide testing services according to needs. Members of the public can also choose to undergo testing through other channels, which include obtaining a deep throat saliva specimen collection pack from any of the 188 distribution points (i.e. 47 designated general outpatient clinics of the Hospital Authority, 121 post offices, and vending machines at 20 MTR stations), and return the specimen to one of the designated specimen collection points.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)115

(Question Serial No. 0967)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To maintain Hong Kong's competitiveness as a trading and logistics hub and to align with the international trend, the Government has set up a Trade Single Window (TSW) as a one-stop electronic platform for the trading community to submit to the Government trade documents required for all trade declaration and customs clearance purposes. Please provide this Committee with the most up-to-date data on the usage of the Phase 1 services of the platform. What are the measures to be taken this year to encourage usage of the platform by the Trade? What are the expenditure and manpower involved? What new promotional measures will be taken next year? What are the expenditure and manpower involved? Has the Government estimated the amount of annual savings in administrative costs for the relevant sectors such as logistics, retail and import and export upon the full and mandatory implementation of TSW?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 209)

Reply:

The Trade Single Window (TSW) is being implemented in three phases. Phase 1 was launched in December 2018 covering 14 types of import and export trade documents. Since the launch of TSW, the trade's feedback has been positive. They generally considered that TSW helped save time and cost. Currently, the average monthly usage rate of Phase 1 is close to 70%, and the usage rates of some documents have even reached 100%.

The Finance Committee (FC) of the Legislative Council (LegCo) approved the funding for the implementation of Phase 2 of TSW in July last year. It is estimated that the e-services for another 28 types of import and export trade documents will be rolled out by batch in 2023 the earliest. We are also pressing ahead with the preparation for Phase 3, and will continue to maintain close communication with the trade to ensure that the services of Phase 3 will suit their needs and reduce their costs of lodging documents for customs clearance and trade declaration.

We estimate that, if the 28 trade documents covered under Phase 2 are all submitted via the TSW, it will help the trade achieve administrative cost savings of about \$45 million per annum. We will estimate the administrative cost savings that Phase 3 could bring about for the trade in the relevant technical feasibility studies being conducted.

The Customs and Excise Department (C&ED) is the TSW Operator and has established the Office of TSW Operation (OSWO) to provide supporting services for Government departments and the trade. OSWO is responsible for the processing of user registration, publicity and promotion, system administration and other customer supporting services (such as service counters, enquiries, outreach and training, etc.). On publicity and promotion, OSWO actively conducted promotion and provided training to the trade; reached out to individuals/companies that may use the TSW services through physical and online meetings as well as telephone calls. OSWO also conducted promotion activities jointly with other Government departments, such as deploying staff to the service counters of Government departments to provide information on the TSW and participating in industry seminars organised by other Government departments. The overall estimated expenditure of the OSWO of C&ED in 2021-22 is about \$25.3 million. Since the above publicity and promotion work has been subsumed under the overall estimated expenditure and staff establishment of the OSWO of C&ED, it is difficult to quantify them separately.

Upon full implementation of the TSW, cargo hold-ups during clearance due to insufficient cargo information is expected to be minimised and the current arrangements for submission of cargo information would be streamlined or rationalised. This will help the trading community to further save time and cost, and achieve more efficient cargo clearance.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)116

(Question Serial No. 0971)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2021-22 that the Hong Kong Trade Development Council (HKTDC) will promote Hong Kong as an investment hub for the healthcare sector. What are the details of the promotion work? Will the HKTDC set any indicators for the promotion work? If yes, what are the details? In this regard, what are the estimated manpower and expenditure to be involved in the promotion work for the coming year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 154)

Reply:

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention to the Hong Kong Trade Development Council (TDC), including \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and promote Hong Kong's healthcare products and services.

Regarding the promotion of Hong Kong's healthcare products and services, to help relevant companies grasp opportunities, TDC will stage an inaugural "Asia Summit on Global Health", bringing together business and political leaders and investors in biotechnology, life sciences, healthcare infrastructure and related fields, to explore new trends in the healthcare industry; promote the advantages of Hong Kong's healthcare products and services; foster investment and unlock market opportunities; and promote Hong Kong as the healthcare innovation and investment hub in Asia. TDC will also add dedicated zones on biotechnology and anti-epidemic innovations in the "Hong Kong International Medical and Healthcare Fair", as well as promote Hong Kong's biomedical and healthcare innovations at its local and major international events, in order to showcase Hong Kong's strengths, foster

investment, and provide a platform for local small and medium enterprises in the healthcare sector to expand businesses.

The above work has been subsumed under the staff establishment of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)117

(Question Serial No. 0973)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate under Programme (2) Commerce and Industry for 2021-22 is 54.3% higher than the revised estimate for the previous year. Will the Government set out the breakdowns of and reasons for the above expenditure? What are the respective provisions for initiatives to assist small and medium enterprises (SMEs), which include assisting SMEs in entering the Mainland market, exploring new markets, and enhancing the promotion of external trade? Given that the COVID-19 epidemic situation worldwide persists, enterprises may not be able to explore new markets, and it is not easy for them to enhance external trade. Apart from strengthening the existing support initiatives, will the Government introduce new measures to assist enterprises in coping with the situation? If yes, what are the details? What are the expenditure and manpower involved? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 86)

Reply:

The 2021-22 estimate under Programme (2) is \$2.1902 billion (+54.3%) higher than the 2020-21 revised estimate, mainly due to the increase in estimated cash flow requirement for "SME Financing Guarantee Scheme – Guarantee Products" and the increase in estimated expenditure for the subscription to the World Trade Organisation (WTO).

The Government announced earlier the extension of the application period of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme to 31 December 2021, and increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months, with the ceiling increasing from \$5 million to \$6 million. The Government therefore needs to increase the estimated provision under "SME Financing Guarantee Scheme – Guarantee Products" in 2021-22 to cater for the required cash flow and relevant expenses, as well as defaults that might occur for all applications arising from the extension of the application period and increase in loan amount. The total estimated expenditure is \$5.8871 billion.

Furthermore, the amount of annual subscription to the WTO by its Members is determined by individual Members' share of international trade. The Commerce and Economic Development Bureau (CEDB) has increased the funding reserved for Hong Kong's subscription to the WTO to \$49.36 million in 2021-22. The amount is estimated on the basis of Hong Kong's share of international trade over the past few years and making provision for increase in the exchange rate.

For the initiatives assisting small and medium enterprises (SMEs) in entering the Mainland market, exploring new markets and enhancing the promotion of external trade, please refer to the details below:

- To assist Hong Kong enterprises especially SMEs in leveraging on the business opportunities brought about by the national domestic circulation development strategy to explore the domestic market in the Mainland, we will continue to participate actively in the fourth China International Import Expo (CIIE), to be held in Shanghai in November 2021, to showcase and promote Hong Kong's quality products and professional services. The estimated expenditure for co-ordinating HKSAR's participation in CIIE in 2021-22 is about \$13.1 million.
- The Belt and Road Office (BRO) will continue to proactively pursue and support our businesses in seizing the opportunities created by the Belt and Road Initiative. For 2021-22, the estimated overall expenditure of the BRO is about \$39.96 million.
- To strengthen Hong Kong's economic and trade relations with other places, the HKSAR Government has been actively expanding the network of overseas Hong Kong Economic and Trade Offices (ETOs) to enhance external promotion and exchanges, seeking new business opportunities for Hong Kong. Our discussions with the United Arab Emirates Government on the establishment of the Dubai ETO have been successfully concluded, and we are now actively pursuing the preparatory work in setting up the ETO, which is expected to start discharging its duties before the end of this year. The Dubai ETO is the second new ETO set up by the current-term Government following the Bangkok ETO. It is also our first ETO in the Middle East region, which will help strengthen Hong Kong's trade and economic connections with the trading partners in the region. The HKSAR Government will continue to explore the feasibility of setting up ETOs in different countries, with a view to further strengthening Hong Kong's global trade and economic network. As we use the existing manpower and resources to carry out the relevant work, the related expenditure cannot be quantified separately.
- To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs) to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Investment Protection Agreements, including economies in Americas, Asia, Europe and the Middle East etc., so that enterprises can utilise more funding support from the BUD Fund to develop emerging markets in these regions. The expenditure of the above-mentioned work has been subsumed under the overall expenditure of CEDB and Trade and Industry Department, and cannot be quantified separately.

Apart from the above, in 2021-22, Hong Kong Trade Development Council (HKTDC) will continue to help enterprises enter the Mainland market, explore emerging markets and step up the work on facilitating external trade. Among others, HKTDC will launch a one-stop support platform entitled “GoGBA” and set up a “HKTDC GBA Centre” in Shenzhen to provide information and practical tools, to complement other support and consultation services, seminars and trainings, as well as field trips, in order to help companies make use of the Guangdong-Hong Kong-Macao Greater Bay Area as an entry point to explore opportunities and gain practical experience for further expansion into other Mainland cities. HKTDC will also launch promotion events in mature and emerging markets under a unified brand “Think Business, Think Hong Kong”, with a view to stepping up promotion of Hong Kong’s role as an international business and investment hub after the epidemic, as well as help Hong Kong SMEs explore the e-commerce market in the Association of Southeast Asian Nations, and help Hong Kong companies explore different supply chain cooperation options in the overseas Economic and Trade Co-operation Zones set up by the Mainland. The expenditure of the above work has been subsumed under the overall estimated expenditure of HKTDC under Programme (3), and cannot be quantified separately.

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the “new normal”, the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong’s developments, and strengthen the promotion on the successful implementation of “One Country, Two Systems” and Hong Kong’s advantages on various fronts, rebuilding the confidence of the international community in Hong Kong. Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, Principal Officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the ETOs was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc., to provide interlocutors with the latest information on Hong Kong and promote Hong Kong’s developments on various fronts. From June 2020 to end February 2021, ETOs organised around 20 webinars for the Chief Executive and Principal Officials to directly engage overseas audiences to provide them with the latest information on Hong Kong and promote Hong Kong’s developments on various fronts. In particular, the Chief Executive highlighted Hong Kong’s unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audiences through webinars, and explore opportunities for closer collaboration under the “new normal” to enhance exchanges with overseas stakeholders. As the relevant promotion work is a part of the overall work of the ETOs, with the expenditure subsumed under the overall estimated expenditure in Head 96, it cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)118

(Question Serial No. 1021)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under Matters Requiring Special Attention in 2021-22 that the Hong Kong Tourism Board will promote smart tourism and enhance visitors' digital experience by development and implementation of digital tools, providing information to visitors at different digital touchpoints and deploying AI chatbot technology to help handle visitors' enquiries, etc. In which tourist attractions will the relevant facilities be installed? What are the staffing establishment and estimated operational expenditure involved in the relevant promotional work?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 165)

Reply:

The COVID-19 epidemic has made travellers more attuned to using technology. The Hong Kong Tourism Board (HKTB) has included smart travel and enhanced digitally-enabled experience as part of the medium-to-long-term strategy when formulating the 2021-22 work plan. Major work includes:

- developing a one-stop e-solution and launching it in phases. The e-solution will cover all stages of a visitor's journey, from itinerary planning, visiting Hong Kong to returning to their place of residence, to provide visitors with seamless digital experience. The trade can also leverage this one-stop platform for creating more business opportunities or promotion; and
- HKTB will extend the online chat service to different digital platforms and instant messaging apps and apply artificial intelligence chatbot on instant messaging service platforms to enable visitors of the world to receive Hong Kong travel information round-the-clock and to support the handling of increased online visitors' inquiries.

Relevant work is incorporated into HKTB's medium-to-long-term strategy, with an estimated expenditure of around \$28 million. The work is absorbed by existing staff establishment, which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)119

(Question Serial No. 1894)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) that "... support our businesses in seizing the opportunities created by ... the Belt and Road Initiative". In this connection, will the Government inform this Committee:

- 1) of the current staff establishment and the estimated expenditure of the Belt and Road Office, and whether there will be any increase in its manpower in the future;
- 2) whether it has assessed the effectiveness of the work of the Office since its establishment and if the anticipated results have been achieved; if yes, what are the details; if not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 3)

Reply:

The establishment and expenditure of the Belt and Road Office (BRO) under the Commerce and Economic Development Bureau (CEDB) from 2020-21 to 2021-22 are tabled below:

Financial Year	Expenditure (\$ million)	Establishment (Number of Posts)
2020-21	26.05 (Actual)	21
2021-22	39.96 (Estimate)	21

We have no plan to increase the number of posts in the BRO.

The CEDB from time to time reviews its work in taking forward the Belt and Road Initiative at the policy and government levels, in collaborating with stakeholders, as well as

in establishing collaborative platforms for enterprises and the professional services sector. We also from time to time brief the Panel on Commerce and Industry of the Legislative Council of the relevant progress, and we issued a paper to the Panel in February 2020, which can be found by following the link below:

<https://www.legco.gov.hk/yr19-20/english/panels/ci/papers/cicb1-401-5-e.pdf>

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)120

(Question Serial No. 0438)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention in 2021-22 under Programme (1), it is mentioned that the Bureau will seek accession to the Regional Comprehensive Economic Partnership (RCEP) after the Agreement is signed. In this regard, will the Administration advise this Committee of the following:

1. the administrative expenditure and staff establishment involved for the initiative;
2. the latest progress of joining the RCEP;
3. will the Government participate the RCEP by using the title of 'Hong Kong, China' or be represented by the Central People's Government?
4. whether the Administration has started negotiation with the RCEP and considered setting up an "intra-departmental task force" in strengthening liaison and collaboration with other RCEP members;
5. whether the Administration has evaluated the effectiveness of participating RCEP in benefiting from the expansion of regional trade and investment. If yes, of the details; if no, of the reasons.

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 8)

Reply:

15 economies including Mainland China, the ten member states of the Association of Southeast Asian Nations (ASEAN), Australia, Japan, Korea, and New Zealand signed the Regional Comprehensive Economic Partnership (RCEP) in November last year. It is the largest Free Trade Agreement (FTA) in the world, covering about 30% of the world's population and accounting for one-third of the global GDP. In 2020, the total trade between Hong Kong and the 15 RCEP participating economies amounted to US\$772 billion, accounting for 73% of Hong Kong's total trade.

The successful signing and implementation of RCEP is an important milestone for regional economic integration and will facilitate free and open trade and increase investment in the region, providing impetus for regional cooperation. Joining RCEP will not only facilitate Hong Kong's further integration into the regional value chain and strengthen the economic, trade, and investment ties between Hong Kong and RCEP participating economies in the region and hence driving regional economic growth, but will also enable Hong Kong's goods and enterprises to benefit under the relevant measures in RCEP such as tariff reduction, preferential market access, removal of trade barriers and simplified customs procedures, etc. It will lower the costs of trading and bring about new business opportunities for Hong Kong's goods and enterprises in expanding their markets in the region, thereby providing a momentous drive to global economic recovery in the post-pandemic era.

As highlighted in the Chief Executive's Policy Address in November last year, Hong Kong, as a major financial and trade centre and a logistics hub of the region, coupled with our FTAs signed with 13 of the RCEP participating economies, i.e. the Mainland and Hong Kong Closer Economic Partnership Arrangement signed with Mainland China, and the respective FTAs signed with the ten member states of ASEAN, Australia and New Zealand, is well placed to join RCEP. The HKSAR Government has indicated, as early as in 2018, to individual RCEP participating economies at various levels and on various occasions our keen interest in joining RCEP. In November 2019, when the text-based negotiations were concluded, the Secretary for Commerce and Economic Development (SCED) wrote to individual RCEP participating economies reiterating Hong Kong's interest to join RCEP, and received positive responses that Hong Kong's accession to RCEP could be facilitated in accordance with the relevant provisions set out in RCEP after its entry into force. SCED wrote again to RCEP participating economies after RCEP was signed end of last year to reiterate Hong Kong's interests in joining RCEP. The HKSAR Government is actively engaging individual RCEP participating economies to expedite commencement of discussions on Hong Kong's accession in order to enable Hong Kong's accession to RCEP as soon as possible after its entry into force.

The HKSAR Government has been fully leveraging the advantages of Hong Kong's status as a separate customs territory as conferred by the Basic Law in expanding the FTA and Investment Agreement network, using the name "Hong Kong, China". The HKSAR Government will seek accession to RCEP using the name "Hong Kong, China". As the work mentioned above is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the expenditure was subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)121

(Question Serial No. 0440)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2021–22 under Programme (6), that the Bureau will continue to work with relevant government departments to diversify and promote the green tourism products on offer in Hong Kong through enhancing the tourism supporting facilities of hiking trails. In this regard, please advise this Committee:

1. the details, timetable, estimated expenditures and manpower involved; whether additional staff will be deployed to handle this policy initiatives;
2. the criteria for selecting hiking trails which will be considered for improvement;
3. whether the Administration has consulted the stakeholders like District Councilors and nearby villagers;
4. whether the Administration has assessed the environmental impact caused by the rising of people flow after upgrading supporting facilities of hiking trails (i.e. littering, illegal logging, etc); If yes, of the details and related measures to alleviate; if not, of the reasons.

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 17)

Reply:

In order to promote green tourism, the Tourism Commission (TC), in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 for implementation of the “Enhancement of Hiking Trails - Phase I” to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails,

enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. In 2021-22, AFCD will continue to improve MacLehose Trail Section 4 (Ma On Shan Country Park), Wilson Trail Section 2 (Tai Tam Country Park and Tai Tam Country Park (Quarry Bay Extension)) and Kiu Tsui (Sharp Island) (Kiu Tsui Country Park) for completion in the fourth quarter of 2021 to tie in with the hiking season.

In addition, TC, in collaboration with AFCD, will continue to take forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. Phase II of improvement works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park). The enhancement works are similar to those of Phase I. The total estimated expenditure is \$55 million.

The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau and AFCD, which cannot be quantified separately.

In planning the alignments and enhancement works of the hiking trails, the Government will make use of existing hiking trails and facilities in country parks as far as possible, in order to reduce the impacts on the ecology, vegetation, trees and landscape. To offer more leisure and travel experience with rich historical and cultural elements to both locals and visitors, the hiking trails selected also include war relics or other elements of local history. The Government will liaise with various stakeholders, including the Country and Marine Parks Board or relevant organisations, and listen to their views regarding the improvement, restoration and supporting facilities of the hiking trails.

The Government also notices that the growing popularity of hiking activities in recent years has increased the patronage of hiking trails. In addition to repairing the damaged hiking trails through the enhancement programmes, as well as arranging vegetation management and tree-planting at suitable locations, the Government is also committed to the promotion of Hiking Etiquette, such as “Take Your Litter Home”, and enhancement of awareness on respecting and treasuring the countryside environment among hikers, with a view to reducing the impacts on the natural environment.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)122

(Question Serial No. 0442)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned that in the Matters Requiring Special Attention in 2021-22 under Programme (6), the Bureau will work closely with the Advisory Committee on Cruise Industry, the operators of the two cruise terminals, and the Hong Kong Tourism Board to promote cruise tourism when cruise operation resumes. In this regard, will the Administration inform this Committee of the following:

1. the total numbers of cruise vessels berthed at the cruise terminal in the past 5 years;
2. the percentage of leased venues in the terminal building in the past 5 years;
3. the number of passengers disembarking from each vessel, the composition of the disembarking passengers and the annual total number of passengers in the past 5 years;
4. the ratio of the Kai Tak Cruise Terminal total operating revenue to its expenditure and their percentage change in the past 5 years; when will the \$8.2 billion investment of public funds be recovered according to the Government's latest projection amidst Covid-19 pandemic?
5. since the commissioning of the Kai Tak Cruise Terminal in 2013, its popularity has always been questioned. Whether the Administration will consider developing cruise tourism business for locals only to revitalise the cruise terminal, like organising city tour and Victoria Harbour cruise, etc.

Asked by: Hon Abraham SHEK Lai-him (LegCo internal reference no.: 20)

Reply:

The number of ship calls and cruise passenger throughput in Hong Kong (including Kai Tak Cruise Terminal (KTCT), Ocean Terminal and other berthing facilities) in the past 5 years is tabulated as follows:

Year	Number of ship calls	Cruise passenger throughput
2016	191	677 031
2017	245	903 084
2018	210	875 212
2019	218	903 060
2020*	25	103 444

* Due to the COVID-19 epidemic, immigration service at the two cruise terminals in Hong Kong (i.e. KTCT and Ocean Terminal) has been suspended since 5 February 2020.

As the number of passengers and the nationality mix of each cruise vessel involve commercially sensitive information of cruise lines, we cannot disclose the relevant information. The split of nationality of cruise passenger throughput in Hong Kong in respect of local residents, Mainland visitors and overseas visitors is around 43%, 17% and 40% respectively in 2020.

The utilisation situation of the ancillary commercial areas of KTCT in the past 5 years is tabulated as follows:

Year (As at March)	Occupied floor area as a percentage of the ancillary commercial areas	Number of merchants occupying the commercial areas
2017	94%	6
2018	100%	7
2019	100%	7
2020	100%	7
2021*	60%	6

* The terminal operator is taking legal action against a former tenant to seek its removal of chattels within the premises. The Tourism Commission will continue to urge the terminal operator to re-let the vacant shop as soon as practicable.

KTCT is operated by a terminal operator under commercial principles, and any surplus and deficit are borne by the terminal operator. According to the tenancy agreement between the Government and the terminal operator, the terminal operator is required to pay to the Government a monthly fixed rental fee, as well as a variable rent which is set as designated percentages of the terminal operator's gross receipts. As the rental income of and the amount of rent paid by the terminal operator to the Government involve commercially sensitive information, we cannot disclose the relevant information.

KTCT is an infrastructure dedicated for cruise berthing and cruise passengers embarking/disembarking, and its final construction cost is about \$6.6 billion. In considering and analysing the benefits brought by KTCT, we should take a comprehensive approach in evaluating the long-term economic benefits. The Tourism Commission conducted a mid-term assessment on the economic contributions brought by the cruise industry in Hong Kong, the result of which was that the estimated value-added contribution brought by the cruise industry in Hong Kong in 2018 was \$1.736 billion. This is in line with the

Government's estimate in 2008 when considering the construction of KTCT, and has achieved the then projected range of \$1.5 billion to \$2.6 billion per annum by 2023 five years in advance.

KTCT has driven steady growth of cruise tourism figures (including the number of ship calls and cruise passenger throughput) of Hong Kong as a whole. The number of ship calls at KTCT went up from 28 in 2014 (its first full year of commissioning) to 175 in 2019, while passenger throughput increased from about 130 000 in 2014 to about 850 000 in 2019. With the joint efforts of the Government and the trade, the number of ship calls and cruise passenger throughput at KTCT in 2017 both achieved the then projected performance by 2023.

Nevertheless, immigration service at the two cruise terminals in Hong Kong has been suspended since February 2020 due to the epidemic situation. Having regard to the latest epidemic development and the gradual resumption of domestic cruise travel in nearby regions such as Taiwan, Singapore and Japan, the Government will continue to explore the feasibility of resuming cruise travel with implementation of effective anti-epidemic and social distancing measures provided that the epidemic situation remains stable.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)123

(Question Serial No. 1741)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Budget Speech Paragraph 39, the Financial Secretary has mentioned that “the use of online shopping services, video streaming platforms and online conference software has become their new mode of working, studying and entertainment”. Under this connection, will the Government inform this Committee whether it has any plans to step up its controls and regulations on food safety, particularly for online groceries stores and online food ordering platforms as well as allocate extra manpower and resources setting up a new mechanism to handle online food order disputes; if yes, of the details; if no, of the reasons.

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 12)

Reply:

The rights of consumers, including online shoppers, are currently protected by various laws in Hong Kong. The Sale of Goods Ordinance (Cap. 26), the Control of Exemption Clauses Ordinance (Cap. 71), the Supply of Services (Implied Terms) Ordinance (Cap. 457) and the Unconscionable Contracts Ordinance (Cap. 458) all regulate contracts related to transactions, for example by stipulating implied conditions in the contract of sale of goods, including that the goods supplied are of merchantable quality and that a buyer has the right to reject defective goods unless he or she has a reasonable opportunity to examine the goods; a supplier of a service is obliged to carry out the service with reasonable care and skill and within a reasonable time; and the courts are empowered to refuse to enforce, or to revise unconscionable terms in consumer contracts for the sale of goods or supply of services, etc.

In addition, the Trade Descriptions Ordinance (Cap. 362) prohibits common unfair trade practices, including false trade descriptions and misleading omissions, and is applicable to both online and physical traders. Any person who undertakes business relating to producing, trading, importing or distributing food must also meet the food safety requirements of relevant legislation, irrespective of the means of transactions. For

example, in accordance with the Food Business Regulation (Cap. 132X), any person who carries on any business which involves preparation of food for sale for human consumption outside the premises, including online sale of the food concerned, must obtain a food factory license issued by the Food and Environmental Hygiene Department.

Unfair trade practices may occur in different sales channels, including online trading platforms. The Customs and Excise Department (C&ED) will continue to monitor different types of illegal online activities by using advanced tools for evidence collection and investigation, and initiate follow-up actions and prosecutions where appropriate. If local or overseas websites are found to be conducting illegal activities, C&ED may demand such websites to remove the relevant contents or links. Depending on the circumstances, joint operations with overseas enforcement agencies will also be mounted as and when required.

The Government will continue to keep a close watch on the development of online platforms and review the relevant laws as necessary for the protection of consumer rights.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)124

(Question Serial No. 0819)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Commerce, Industry and Tourism Branch will continue to step up the promotion of Government funding schemes to small and medium enterprises, and conduct a pilot project to review the application process of the BUD Fund through design thinking, with a view to enhancing the utilisation of these funding schemes. Will the Government provide details and the estimated expenditure on each of these aspects?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 2)

Reply:

In 2021-22, the Government will continue to provide “four-in-one” integrated services through the consolidated four small and medium enterprises (SMEs centres) (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department, the SME Centre of Hong Kong Trade Development Council, SME One of Hong Kong Productivity Council and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. SME ReachOut, which has commenced operation since January 2020, will continue to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities. The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the total expenditure of the concerned department/organisations, and cannot be quantified separately.

In tandem, the Commerce and Economic Development Bureau will continue with the project to, through a design thinking approach, enhance the application process of the Dedicated Fund on Branding, Upgrading and Domestic Sales, provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans. The project is funded by the CreateSmart Initiative, with a funding amount of around \$4.99 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)125

(Question Serial No. 0820)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Commerce, Industry and Tourism Branch plans to continue to work with the Trade and Industry Department to implement the enhanced SME Export Marketing Fund to support Hong Kong enterprises in exploring the Mainland and overseas markets, and in conducting promotion activities targeting the local market. Would the Bureau advise on the work details, indicators and breakdown of estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 3)

Reply:

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the SME Export Marketing Fund (EMF), for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by Hong Kong Trade Development Council and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

The Government expects that upon implementation of the new round of enhancement measures, the number of applications received, the number of applications approved, funding amount approved and the number of beneficiaries under the EMF will all increase. The expenditure of the EMF in 2021-22 is estimated to be \$290 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)126

(Question Serial No. 0821)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Commerce, Industry and Tourism Branch plans to continue to work with the related industries to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. Would the Bureau advise on the relevant work details, industries involved, work schedule and breakdown of estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 4)

Reply:

The financial implications of the Convention and Exhibition Industry Subsidy Scheme (the Scheme) will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

The convention and exhibition (C&E) industry is vital to Hong Kong as an international business and trading centre. To enhance the competitiveness of Hong Kong's C&E industry, the Government maintains communication with the trade to understand its latest situation and needs.

To reinvigorate the C&E industry, the Government established the Scheme under the Anti-epidemic Fund with a commitment of \$1,020 million. The Scheme has two parts. One part of it, which was launched on 3 October 2020, subsidises organisers of exhibitions and international conventions held at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo (AWE) 100% of the venue rental. The other part of the Scheme, which was launched on 30 November 2020, subsidises exhibitors of exhibitions and participants of major conferences organised by the Hong Kong Trade Development Council 50% of the participation fee. In light of the epidemic situation, the Scheme has been extended to 31 December 2021.

In addition, the Government allocates financial resources to the Hong Kong Tourism Board (HKTB) annually to support their 'Meetings & Exhibitions Hong Kong' to promote MICE tourism. In 2021-22, the focus of the work of the HKTB is to rebuild the confidence of MICE organisers and MICE visitors on Hong Kong; actively bid for large-scale or strategic international MICE events to stage in Hong Kong; attract high-yield visitors; and strengthen support to the trade and assist the local MICE sector to solicit more visitors to Hong Kong.

While the epidemic brings challenges to the C&E industry, we consider that the industry's demand for physical exhibitions remains strong in the long run. Therefore, to consolidate and strengthen our status as a premier international C&E and sourcing centre, the Government will continue to take forward two plans to expand major C&E facilities, i.e. the redevelopment of the three government towers in Wan Chai North and the Kong Wan Fire Station into C&E facilities, hotel and Grade A office, as well as the construction of phase two of AWE on the airport island.

The above work has been subsumed under the staff establishment of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)127

(Question Serial No. 0890)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to its plan for 2021-22, the Commerce, Industry and Tourism Branch will continue to collaborate with the Mainland authorities and the Hong Kong Trade Development Council to help Hong Kong enterprises promote their products and services to the Mainland market. Will the Government provide this Committee with the details, indicators, timetable and a breakdown of the estimated expenditure for the relevant work?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 5)

Reply:

Commerce and Economic Development Bureau (CEDB) and Hong Kong Trade Development Council (HKTDC) have all along been helping Hong Kong enterprises enter the Mainland market. To further assist Hong Kong companies in operating in the business environment affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to HKTDC from 2021-22 to 2023-24, including \$74 million in 2021-22 to fund HKTDC for promoting Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and promote Hong Kong's healthcare products and services.

HKTDC will use the additional subvention to actively promote Hong Kong's advantages in the GBA development. HKTDC will launch a one-stop support platform entitled "GoGBA" in collaboration with the Guangdong Province and related chambers of commerce to provide information and practical tools, to complement other support and consultation services, seminars and trainings, as well as field trips, in order to help companies explore opportunities and gain practical experience for further expansion into other Mainland cities. HKTDC will also set up a "HKTDC GBA Centre" in Shenzhen, and organise workshops, focus groups and other networking activities to help Hong Kong small and medium enterprises grasp opportunities in the GBA. Furthermore, HKTDC will

organise large-scale events in the GBA to promote Hong Kong's products, underlining Hong Kong's capabilities in design and creativity.

To assist Hong Kong companies in expanding into the domestic Mainland market, besides the physical and online outlets of its "Design Gallery" on the Mainland, HKTDC has also launched a one-stop "ConsignEasy" service to help companies tackle logistics, warehousing, taxation and other matters related to domestic sales. To strengthen promotion, HKTDC will organise online and offline marketing campaigns, as well as organise participation of Hong Kong companies in major Mainland exhibitions to promote Hong Kong brands and products.

We will continue to participate actively in the fourth China International Import Expo (CIIE), to be held in Shanghai in November 2021, to showcase and promote Hong Kong's quality products and professional services.

The Government will also provide financial support through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to assist Hong Kong enterprises in developing domestic market. In 2020, there were 629 applications and a total funding amount of around \$423 million approved under the BUD Fund for implementing Mainland projects, accounting for 70% of the total applications and funding amount approved in the same year. The Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, and increase the cumulative funding ceiling per enterprise from \$4 million to \$6 million, so as to provide more funding support for enterprises to develop domestic market.

The estimated expenditure for CEDB's co-ordination of HKSAR's participation in CIIE in 2021-22 is about \$13.1 million. Other work has been subsumed under the overall estimated expenditure of CEDB, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)128

(Question Serial No. 0891)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Provision for 2021-22 is \$2,190.2 million (54.3%) higher than the revised estimate for 2020-21. This is mainly due to the increased estimate for the subscription to the World Trade Organization and the increased cash flow requirement for the Guarantee Products under the SME Financing Guarantee Scheme. Will the Government provide a breakdown of the relevant items and the estimated expenditures involved?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 6)

Reply:

The Government announced earlier the extension of the application period of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme to 31 December 2021, and increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months, with the ceiling increasing from \$5 million to \$6 million. The Government therefore needs to increase the estimated provision under "SME Financing Guarantee Scheme – Guarantee Products" in 2021-22 to cater for the required cash flow and relevant expenses, as well as defaults that might occur for all applications arising from the extension of the application period and increase in loan amount. The total estimated expenditure is \$5.8871 billion. Furthermore, the amount of annual subscription to the World Trade Organization (WTO) by its Members is determined by individual Members' share of international trade. The Commerce and Economic Development Bureau has increased the funding reserved for Hong Kong's subscription to the WTO to \$49.36 million in 2021-22. The amount is estimated on the basis of Hong Kong's share of international trade over the past few years and making provision for increase in the exchange rate.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)129

(Question Serial No. 0892)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The number of advertisers on the trade portal of the Hong Kong Trade Development Council (hktdc.com) dropped from 29 619 in 2019 to 21 905 in 2020, and is estimated to drop further to 20 830 in 2021. In this connection, will the Government inform this Committee of the relevant reasons and details, as well as the corresponding impact on its provision for the expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 7)

Reply:

Buyers' willingness to conduct sourcing has generally decreased as a result of the China-United States trade conflict and the COVID-19 outbreak. The decrease in the number of advertisers of hktdc.com reflected the need for enterprises to reduce promotional budget amid a tough business environment.

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to the Hong Kong Trade Development Council (TDC) from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms to enhance its capability to organise online events and to proceed with digitalisation; and \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the Guangdong-Hong Kong-Macao Greater Bay Area and promote Hong Kong's healthcare products and services. Taking into account the additional subvention, the Government will provide a total subvention of about \$634.1 million to TDC in 2021-22 which represents a 1.6% increase as compared with last year.

The Government will continue to work closely with TDC to help small and medium enterprises find new business prospects, innovate and transform. The number of advertisers is expected to grow gradually when the economy recovers.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0893)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated that in 2021-22, to meet the main objective of supporting the economic recovery during and after the pandemic, the Hong Kong Trade Development Council will step up efforts and support to help Hong Kong's small and medium enterprises to ride out the pandemic challenges and help Hong Kong and international businesses capitalise on the promising opportunities offered by the steady recovery of the Mainland from the pandemic, with Greater Bay Area development as the central theme. In this connection, will the Government provide details of the work and initiatives concerned and a breakdown of the estimated expenditures?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 8)

Reply:

In 2021-22, to support economic recovery during and after the epidemic, Hong Kong Trade Development Council (TDC) will strengthen its support for small and medium enterprises (SMEs) to ride out the epidemic challenges. It will provide assistance to small and medium enterprises (SMEs) in four major areas, including (a) fully utilising the solid advantages of Hong Kong as an international financial and business centre to consolidate Hong Kong's position as a global commercial hub; (b) with the national dual circulation policy, the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the full implementation of the Hong Kong-Association of Southeast Asian Nations (ASEAN) Free Trade Agreement, launching a series of events to help Hong Kong companies including SMEs seize the enormous opportunities in the Mainland and ASEAN markets, etc., as well as fostering the "Hong Kong-Mainland-ASEAN" tripartite partnership; (c) actively equipping SMEs by, amongst others, making hybrid mode of physical and virtual offerings as regular features in its anchor events to broaden their reach to global audience; and (d) creating opportunities for start-ups.

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to TDC from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms to enhance its capability to organise online events and to proceed with digitalisation; and \$74 million in 2021-22 to subsidise TDC to promote Hong Kong's strengths in the development of the GBA and promote Hong Kong's healthcare products and services. Besides using existing resources, TDC will also use the additional subvention to carry out the said work.

TDC will actively promote Hong Kong's strengths in the GBA development. TDC will launch a one-stop support platform called "GoGBA" to provide information and useful tools (including market information, research reports, policies and regulations, concessions and subsidies, business network, etc.) to complement TDC's support and consultation services, seminars and trainings, as well as field trips, in order to help companies explore opportunities and gain practical experience for further expansion into other Mainland markets. TDC will also set up a "HKTDC GBA Centre" in Shenzhen to provide advice and information for companies interested in tapping the GBA or Mainland market; as well as organise workshops, focus groups and other networking activities to help Hong Kong SMEs grasp opportunities from the GBA. Furthermore, TDC will organise large-scale events in the GBA to promote Hong Kong's products and services, including organising "SmartHK" in Guangzhou as an anchor event of the "Guangdong-Hong Kong Cooperation Week" to promote Hong Kong's services and technology industry, as well as hosting product promotion events in Shenzhen to showcase technology-driven and lifestyle products for underlining Hong Kong's capabilities in design and creativity.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)131

(Question Serial No. 0894)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce, Industry and Tourism Branch stated that in 2021-22, it will continue to review the legislative proposal for a statutory cooling-off period for certain consumer contracts, as well as the timing for introducing the legislation, in view of the social environment, economic situation and consumption sentiment. In this connection, will the Government provide the relevant details and timetable (if any)?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 9)

Reply:

The Commerce and Economic Development Bureau launched a three-month public consultation in 2019 to study the proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts through legislation. However, shortly after the completion of the public consultation, there has been drastic change in social environment, economic situation and consumption sentiment following the social incidents since the second half of 2019 and the COVID-19 outbreak since early 2020. We have to examine the details of the relevant legislative proposals, having regard to the actual circumstances and critically review the timing for introducing the legislation.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)132****(Question Serial No. 0899)**

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Commerce, Industry and Tourism Branch will continue to monitor the implementation of the amended Trade Descriptions Ordinance in tackling unfair trade practices that may be deployed in consumer transactions. In this connection, will the Government inform this Committee of the number of cases involving unfair trade practices in the subsequent years after the amendment of the Trade Descriptions Ordinance (please set out separately in tables by type of trade practice and by trade)?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 10)

Reply:

The figures in relation to the Customs and Excise Department's enforcement of the Trade Descriptions Ordinance (TDO) in the past 5 years are as follows:

Offence	Breakdown of figures	2016	2017	2018	2019	2020
False trade descriptions	Number of complaints	4 476	6 169	9 021	6 520	7 541
	Number of investigations initiated	92	78	89	106	106
Misleading omissions	Number of complaints	332	213	278	456	159
	Number of investigations initiated	12	10	5	6	1

Offence	Breakdown of figures	2016	2017	2018	2019	2020
Aggressive commercial practices	Number of complaints	191	151	312	602	185
	Number of investigations initiated	10	2	13	21	4
Bait advertising	Number of complaints	15	8	9	18	17
	Number of investigations initiated	1	1	0	2	0
Bait and switch	Number of complaints	11	2	3	7	7
	Number of investigations initiated	0	0	2	1	0
Wrongly accepting payment	Number of complaints	2 197	376	1195	626	2 380
	Number of investigations initiated	10	9	16	4	28
Other offences under TDO ^	Number of complaints	38	3	0	4	18
	Number of investigations initiated	19	8	17	8	3

Note: ^Such as the offences under sections 4 and 12 of the TDO.

Industry	Breakdown of figures	2016	2017	2018	2019	2020
Food & beverage (Goods)	Number of complaints	737	1 035	1 005	811	1 287
	Number of investigations initiated	25	20	9	21	26
Fitness and yoga (Services)	Number of complaints	1 867	270	599	723	209
	Number of investigations initiated	4	4	13	20	4
Pharmacy & Chinese medicine / Ginseng & dried seafood (Goods)	Number of complaints	327	317	443	479	886
	Number of investigations initiated	25	13	9	13	35

Industry	Breakdown of figures	2016	2017	2018	2019	2020
Travel (Services)	Number of complaints	341	469	633	404	539
	Number of investigations initiated	2	3	6	4	0
Electrical and electronic (Goods)	Number of complaints	600	461	489	491	336
	Number of investigations initiated	33	13	11	5	3
Beauty & hair (Services)	Number of complaints	456	464	389	327	387
	Number of investigations initiated	10	10	4	3	1
Supermarket, department store and convenient shops (Goods)	Number of complaints	338	364	310	212	194
	Number of investigations initiated	12	3	0	1	7
Furniture, renovation and interior design (Services)	Number of complaints	90	200	230	188	154
	Number of investigations initiated	2	8	6	2	6
Education (Services)	Number of complaints	204	149	134	123	182
	Number of investigations initiated	7	1	6	5	0
Furniture, renovation and interior design (Goods)	Number of complaints	114	165	176	153	123
	Number of investigations initiated	1	0	0	0	0
Others	Number of complaints	2 186	3 028	6 410	4 322	6 010
	Number of investigations initiated	23	33	78	74	60

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)133

(Question Serial No. 0900)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The indicators of the Consumer Council show that the number of “in-depth studies” will increase from 11 in 2019 to an estimate of 15 in 2021. Will the Government inform this Committee of the reasons of the increase and the relevant details, including the contents of the studies and the expenditure breakdowns?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 11)

Reply:

In-depth studies by the Consumer Council (CC) are comprehensive studies on industries, markets, products, services and prices in addition to product tests and surveys. The number and topics of in-depth studies to be conducted may be adjusted according to the latest market development and consumer behaviour.

While in-depth studies do not usually involve purchasing a lot of test samples, they usually require relatively more manpower resources of the CC in collecting and analysing the relevant data. Since the conducting of in-depth studies is part of the CC's work on product tests, market surveys and industry studies, it is difficult to quantify the relevant manpower and expenses separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0902)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Consumer Council will complete various systems development projects, including the enhancement of the Consumer Council's Complaint Case Management System to implement the recommendations in The Director of Audit's Report No. 70. Will the Government inform this Committee of the relevant details and the estimated expenditure breakdowns?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 12)

Reply:

In April 2018, the Audit Commission (Audit) published The Director of Audit's Report No. 70, which included a review to examine the efforts made by relevant bureaux/departments and organisations in protecting consumer interests against unfair trade practices, unsafe goods, and short weights and measures, and made a series of recommendations. Among the several Audit's recommendations to the Consumer Council (CC), one is to enhance the analytical capability of the CC's Complaint Case Management System (CCMS) for facilitating the identification of serious and repeated cases of undesirable trade practices and taking follow-up actions thereafter.

To implement the above recommendation, the CC will enhance its CCMS through:

- strengthening data validation and category classification capabilities in the CCMS to improve the accuracy in analysis and reporting;
- to introduce trend analysis capability for identifying and reporting any anomalies to monitor and analyse complaint trends; and

- to include the capability to issue system reminders and alerts on traders and complaint trends that warrant special attention in the CCMS, so that the CC can issue timely and appropriate warnings to the public more proactively when necessary.

In 2021-22, \$1.09 million will be provided to the CC for implementing this project. The CC will also utilise \$2.354 million from its available resources to cover the remainder of the expenditure. The breakdown is as follows:

Breakdown of expenditure	Estimated cost (\$ million)
Hardware / Virtual platform	
• Virtual server for data cleansing and system staging	0.100
Software	
• Analytical tool	0.200
Service	
• Data cleansing	1.000
• System development	1.980
Contingency	
• Approximately 5% of the estimated project cost for contingency	0.164
Total Project Cost	3.444

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)135

(Question Serial No. 0919)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Commerce, Industry and Tourism Branch will continue to liaise with the relevant Mainland authorities to facilitate the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement and other tourism-related measures. In this connection, will the Government advise the relevant work details, plan, timetable and estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 13)

Reply:

We have been pursuing with relevant Mainland authorities more tourism facilitation measures for the tourism trade through different channels, with a view to bringing about more opportunities to the trade, and to further leveraging Hong Kong's roles as an international tourism hub and a core demonstration zone for multi-destination tourism under the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the Culture and Tourism Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area.

In November 2019, the HKSAR Government and the Ministry of Commerce amended the Mainland and Hong Kong Closer Economic Partnership Arrangement Agreement on Trade in Services, in which a new measure – “optimising the ‘144-hour visa-exemption transit’ policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong through increasing the number of inbound control points and expanding the area allowed to stay” was introduced. The Tourism Commission has been liaising with the Ministry of Public Security in order to implement the measure as soon as practicable.

Relevant expenditure involved for carrying out the work above has been subsumed within the provision of the Commerce, Industry and Tourism Branch, which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)136

(Question Serial No. 0920)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Commerce, Industry and Tourism Branch will continue to explore travel bubble arrangement with overseas economies to support the revival of the travel industry during and after the epidemic. In this connection, will the Government advise the relevant work details, plan, timetable and estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 14)

Reply:

In the past year, the development of the COVID-19 epidemic has been fluctuating. Under relatively stable epidemic situations, the Government endeavours to resume cross-border travel in a gradual and orderly manner, and explored from mid-2020 the establishment of "Travel Bubbles" with overseas economies that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong (namely Japan, Korea, Thailand, Australia, New Zealand, Vietnam, Malaysia, France, Germany, Switzerland, and Singapore), while balancing the need to protect public health under the strategy of preventing the importation of cases.

Notwithstanding that the inaugural flights under the "Air Travel Bubble" (ATB) arrangement agreed with Singapore in November 2020 were deferred due to the fourth wave of the epidemic in Hong Kong, the two governments have been discussing the arrangements for re-launching ATB in view of the gradual stabilisation of Hong Kong's epidemic situation since mid-February 2021. In addition, we have recently invited overseas economies that have better epidemic control for the time being, including Thailand, Vietnam, Australia and New Zealand, to resume exploring the establishment of "Travel Bubbles". In any event, the Government will continue to closely monitor the epidemic development, and also consider resumption of cross-border travel with overseas economies

in a gradual and orderly manner with a set of stringent anti-epidemic measures provided that the local epidemic situation remains stable and make announcement in due course. The aforesaid work is absorbed by the existing establishment and expenditure of the Tourism Commission, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)137

(Question Serial No. 0924)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Hong Kong Tourism Board will continue to implement the “Holiday at Home” campaign. In this connection, will the Government advise the expenditure and number of participants of the campaign last year, as well as the work details, estimated number of participants, timetable and estimated expenditure this year?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 15)

Reply:

The Hong Kong Tourism Board (HKTB) launched a local promotion platform, “Holiday at Home”, in June 2020, which introduced in-depth local itineraries and travel experiences at a dedicated website. The one-stop platform provided over 15 000 offers from dining and retail outlets, attractions and hotels, etc. to rebuild the local atmosphere and boost consumption, while delivering a positive message about Hong Kong to source markets and generating confidence among visitors in coming to the city in the future. There were nearly 3.7 million visits to the campaign website by the end of December.

The second phase of the “Holiday at Home” promotion was launched in late October 2020 with a Spend-to-Redeem Free Tour programme. Members of the public could redeem a quota for a free local tour upon spending \$800 in physical retail or dining outlets. HKTB supported travel agencies to organise local tours by subsidising \$500 for each tour participant. The programme encouraged the public to patronise physical outlets in town to maintain the chain of consumption and enhance the tourism ambience. The programme received an overwhelming response, with the 10 000-place quota for tours filled within about a week of its launch. Because of the evolving epidemic situation, the Free Tour programme was suspended in December. The tours will resume when the epidemic situation stabilises and the group gathering restriction on local tours is relaxed.

In 2020-21, HKTB's estimated marketing budget and expenditure for the "Holiday at Home" campaign is \$85.5 million.

In 2021-22, until inbound travel resumes, HKTB will continue to leverage the "Holiday at Home" platform for local promotions and gather and promote numerous offers from the trade. Riding on the overwhelming response to the Spend-to-Redeem Free Tour programme, HKTB will launch a new "Staycation Delights" campaign with 20 000 quotas when the epidemic situation improves to provide the public with an additional option to enjoy the "spend-to-redeem" offers; when Government restrictions on local tours are relaxed, HKTB will roll out Phase II of the "Free Tour" Programme with 20 000 quotas, thereby to promote the local ambience and boost consumption, deliver a positive message to source markets, prepare for tourism recovery, and increase travellers' confidence in visiting Hong Kong in the future. In 2021-22, HKTB's estimated marketing budget and expenditure for the "Holiday at Home" campaign is \$47.4 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)138

(Question Serial No. 0926)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Hong Kong Tourism Board will rebuild Hong Kong's destination image in the Mainland to support the revival of the travel industry during and after the epidemic. In this connection, will the Government advise the relevant work details, plan, timetable and estimated expenditure breakdowns?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 16)

Reply:

The Hong Kong Tourism Board (HKTB) foresees that in the initial stage of resumption of cross-boundary travel, visitors will start with trips to short-haul markets first, and that the neighbouring Guangdong-Hong Kong-Macao Greater Bay Area (GBA) will resume travel to Hong Kong sooner than other markets. As such, HKTB will revamp its promotional strategy for Mainland markets, and will first dedicate resources on promotions in GBA markets to attract overnight leisure visitors, and extend the promotions gradually to other Mainland cities.

HKTB will work with online travel agencies, mobile payment platforms and other partners to launch various travel products, together with tactical offers from hotels, restaurants and the retail sector, to attract overnight leisure visitors from the GBA and boost consumption in Hong Kong. Expecting that younger consumers in the Mainland to be more likely to return to Hong Kong first, along with friends and fans of Hong Kong, HKTB will launch promotions targeting young Mainland consumers by drawing their attention to Hong Kong through collaborations with social media platforms, fashion and style portals, and e-payment channels.

On the other hand, HKTB will continue to leverage on the promotional theme of "Open House Hong Kong" to spread the positive image that Hong Kong is a safe and hospitable

travel destination to Mainland visitors through various media outlets and online portals and make Hong Kong the most desired travel destination of Mainland visitors.

In 2021-22, HKTB's initial budget for marketing promotions in Mainland markets is \$40 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)139

(Question Serial No. 0927)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, the Hong Kong Tourism Board will reinvent Hong Kong's tourism image through the Tourism Rebranding Project, which aims to review and re-define Hong Kong's positioning, and further develop and promote the Greater Bay Area tourism brand. Will the Government advise the relevant work details, indicators, timetable and estimated expenditure breakdowns?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 17)

Reply:

The Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long-term strategies in view of the market situations of Hong Kong and various source markets. Reinventing Hong Kong's travel image and building the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) tourism brand are two major focuses of the plan. Details are listed below:

Strategic Focuses	Recurrent and Additional Funding	Details
Holistic review of Hong Kong's tourism brand and positioning; global promotions to reinvent the travel image of Hong Kong	\$374 million	<ul style="list-style-type: none"> • Holistic review of Hong Kong's tourism brand and positioning; formulating long-term promotional and marketing strategies to drive the sustainable development of Hong Kong tourism. • Upon the gradual resumption of international travel, HKTB will launch new brand promotional

Strategic Focuses	Recurrent and Additional Funding	Details
		<p>campaign in 20 source markets worldwide through various channels including digital platforms to reinvent the tourism brand of Hong Kong.</p> <ul style="list-style-type: none"> • HKTB will also work closely with international media to rebuild Hong Kong's tourism image.
<p>Attracting visitors from GBA to Hong Kong, promoting the GBA tourism brand to the world, captivating international visitors</p>	<p>\$93 million</p>	<p>Short-term strategies - Attracting visitors from GBA</p> <ul style="list-style-type: none"> • In the initial stage of the resumption of cross-boundary travel, HKTB expects that the neighbouring GBA will resume travel to Hong Kong sooner than other markets in the Mainland. As such, HKTB will revamp its promotional strategy for Mainland markets and first dedicate resources on promotions in GBA markets, and extend the promotions gradually to other Mainland destinations. • Expecting that younger consumers in the Mainland to be more likely to return to Hong Kong first, along with friends and fans of Hong Kong, HKTB will launch promotions targeting young Mainland consumers by drawing their attention to Hong Kong through collaborations with social media platforms, fashion and style portals, and e-payment channels. <p>Medium-to-long term strategies - Promoting the GBA to the rest of the world, attracting international visitors</p> <ul style="list-style-type: none"> • HKTB will continue to work with other cities in the GBA to pool resources for global promotions to build the GBA tourism brand. For instance, more GBA elements will be incorporated into mega events, and

Strategic Focuses	Recurrent and Additional Funding	Details
		<p>the travel trade will be encouraged to offer travel products that include multi-destination travel in Hong Kong and other cities in the Area to enhance the attractiveness of the GBA to travellers.</p> <ul style="list-style-type: none"> • HKTB also plans to establish Hong Kong as the MICE hub of the GBA. Therefore, HKTB will actively invite related sectors to host large-scale international conferences on the GBA theme in Hong Kong to attract business travellers from around the world to attend the conferences in town and conduct familiarisation trips and leisure travel in nearby cities.

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)140

(Question Serial No. 0183)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has earmarked \$55 million for the Tourism Commission to work with the Agriculture, Fisheries and Conservation Department to take forward the second phase of the enhancement programme for 10 popular hiking trails in country parks that have potential for tourism in the coming five years, with a view to enriching leisure experience of the public and visitors. In this connection, please advise:

1. Which 10 hiking trails and works will be involved?
2. Which hiking trails were involved in the first phase of the enhancement programme and what were the relevant expenditures? Was the programme fully completed? What was the effectiveness?

Asked by: Hon TSE Wai-chuen, Tony (LegCo internal reference no.: 131)

Reply:

In order to promote green tourism, the Tourism Commission (TC), in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 for implementation of the "Enhancement of Hiking Trails - Phase I" to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. The first stage of improvement works covering MacLehose Trail Section 1 (Sai Kung East Country Park), Peak Trail (Pokfulam Country Park and Lung Fu Shan Country Park) and Double Haven Country Trail (Plover Cove Country Park) was completed while the second stage covering Dragon's Back (Shek O Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park) and Lantau Trail Section 2 (Lantau South Country Park) has been substantially completed. In the meantime, AFCD has commenced

the third stage of improvement works which covers MacLehose Trail Section 4 (Ma On Shan Country Park), Wilson Trail Section 2 (Tai Tam Country Park and Tai Tam Country Park (Quarry Bay Extension)) and Kiu Tsui (Sharp Island) (Kiu Tsui Country Park) and expected to be completed in the fourth quarter of 2021 to tie in with the hiking season. The fourth stage of improvement works covering Lau Shui Heung (Pat Sin Leng Country Park) will commence in 2022. The overall improvement works of Phase I are expected to be completed in the fourth quarter of 2022.

AFCD also launched the enhanced “Enjoy Hiking” thematic website in December 2019 to provide detailed information on hiking trails and green attractions to enrich visitors’ experience. As at end February 2021, there are more than 2.28 million pageviews at the enhanced thematic website.

In addition, TC, in collaboration with AFCD, will continue to take forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. Phase II of improvement works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park). The enhancement works are similar to those of Phase I. The total estimated expenditure is \$55 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0188)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has earmarked \$765 million to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry. Please advise:

1. how HKTB will allocate the \$765 million funding. What are the respective estimated amounts to be spent on internal and external promotional schemes in 2021-2022?
2. whether HKTB has devised any relevant strategy to promote local tourism. What is the estimated amount to be devoted to it in the new financial year?

Asked by: Hon TSE Wai-chuen, Tony (LegCo internal reference no.: 137)

Reply:

The Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

According to HKTB’s work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> ● Cheerleading and boosting domestic consumption (including “Holiday at Home”) ● Leveraging various promotional campaigns to maintain Hong Kong’s international exposure ● Large-scale promotions to attract visitors when travel gradually resumes ● Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors 	248 (32%)
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> ● Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel gradually resumes ● Partnering with other cities in the GBA for global promotions to build the GBA tourism brand ● Creating a smart travel experience for visitors through a one-stop e-solution 	333 (44%)
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> ● Enhancing subsidy schemes and sponsoring trade’s participation in trade events to expedite business recovery* ● Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually ● Organising mega events and supporting other events in town to maintain Hong Kong’s international exposure 	184 (24%)
Total	765

* Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

Before inbound tourism resumes, HKTB will continue to prioritise work on boosting Hong Kong ambience and encouraging local spending to spread positive messages to source markets in preparation for tourism recovery and boost potential visitors' confidence in travelling to Hong Kong in the future. Therefore, HKTB will continue to leverage the "Holiday at Home" promotional platform to encourage people of Hong Kong to be tourists of their own city and explore the diverse tourism experiences that Hong Kong offers. For 2021-22, the provisional budget for "Holiday at Home" and its promotion is \$47.9 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)142

(Question Serial No. 1179)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary (FS) said he would earmark \$765 million to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry. Over the years, the Government has spent an eye-watering sum of over \$1 billion on the HKTB's publicity and promotion work, the effectiveness of which has been called into question. Some members of the public doubt whether such expenditure is value for money. How on earth does the FS believe that devoting huge sums on the HKTB's "publicity" will not be a mistake of "putting more emphasis on publicity instead of travel itself" and a waste of public money?

Some members of the public have also pointed out that although the HKTB had never spent a dime on publicity for the West Point Pier, dubbed "the Salar de Uyuni of Hong Kong", or Yuk Kwai Shan and Ap Lei Pai, which are a channel away from the Ocean Park, these have become tourist hotspots popular among local residents as well as Chinese and overseas tourists.

Instead of spending hefty sums every year on "publicity" whose effectiveness is difficult to quantify, will the FS consider devoting part of the HKTB's "publicity" provision on developing and enhancing attractions?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 2)

Reply:

The Hong Kong Tourism Board (HKTB) has been striving for upholding Hong Kong's standing as a premier tourism destination, promoting worldwide Hong Kong's diversified tourism experiences and attracting visitors to Hong Kong.

Still, HKTB has adjusted its strategic focuses in 2020-21 in view of the evolving epidemic situation and emergence of the new normal. As visitors are unable to visit Hong Kong, HKTB first focused on rebuilding Hong Kong ambience, such as launching “Holiday at Home”, while maintaining the city’s international exposure through launching “360 Hong Kong Moments” and adopting new formats for its mega events etc. HKTB also hosted various webinars, and communicated and worked with the trade to drive a rapid recovery for the local tourism industry when the epidemic subsides.

As the COVID-19 epidemic has come under control gradually, it is anticipated that cross-boundary travel will gradually resume. Hence the Government sees a need to support HKTB’s work in stepping up efforts in launching various campaigns to promote Hong Kong. This enables Hong Kong to stand out from its rivals and remain competitive, with a view to revive business from source markets as soon as possible and attract visitors to return to Hong Kong, thereby reviving Hong Kong’s tourism industry.

HKTB has formulated short and medium-to-long-term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong’s ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong’s international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong’s tourism image to capture high-yield visitor segments.

HKTB plans to deploy the additional funding in the following three areas:

Short-term strategies

- Cheerleading and boosting domestic consumption (including “Holiday at Home”)
- Leveraging various promotional campaigns to maintain Hong Kong’s international exposure
- Large-scale promotions to attract visitors when travel gradually resumes
- Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors

Medium-to-long term strategies

- Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel gradually resumes
- Partnering with other cities in the GBA for global promotions to build the GBA tourism brand
- Creating a smart travel experience for visitors through a one-stop e-solution

Ongoing initiatives

- Enhancing subsidy schemes and sponsoring trade’s participation in trade events to

expedite business recovery

- Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually
- Organising mega events and supporting other events in town to maintain Hong Kong's international exposure

HKTB will continue to maintain a flexible approach and be prudent in its use of resources. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be evaluated and adjusted according to prevailing conditions where necessary. HKTB will also continue to designate various indicators based on the nature of its promotional work to assess the performances.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)143

(Question Serial No. 1185)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The COVID-19 epidemic in 2020-21 has brought global tourism to a standstill. The publicity work of the Hong Kong Tourism Board (HKTB) has also nearly ground to a halt. What is the remaining balance of the Government's \$1.49 billion provision for the annual promotional and operational expenditure of the HKTB?

What is the actual provision for the new financial year after deducting the above balance?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 5)

Reply:

In its 2020-21 work plan, the Hong Kong Tourism Board (HKTB) aimed to gradually restore visitors' confidence in Hong Kong, rebuild Hong Kong's image as a world-class travel destination and boost the tourism industry. Major work focuses included a holistic review on Hong Kong's tourism brand, strengthening support to trade, retaining MICE and cruise visitor sources, and sending out positive messages through mega events. The budget for the above work was \$1.12 billion. However, due to the impact of the COVID-19 epidemic, some of the work could not be rolled out as scheduled.

The provision allocated to HKTB in the financial year 2020-21 was \$1.498 billion. The actual total expenditure of HKTB for the financial year 2020-21 amounted to around \$753 million, inclusive of around \$400 million as its marketing expenditure. The remainder is estimated to be over \$700 million, and HKTB will return in full the unused additional funding to the Government. The provision for HKTB in 2021-22 is \$1.493 billion. It does not include the remainder from last year.

HKTB will adjust the deployment of resources according to epidemic development and progress of the resumption of international travel, and will continue to maintain flexibility and adopt a prudent approach under the principle of “spend as necessary” in its resource deployment. Unused additional funding will be returned to the Government.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)144

(Question Serial No. 1186)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Looking around the world, the epidemic is yet to be fully contained, and there is no definite time for recovery of tourism activities. Besides, Hong Kong is facing an unprecedented fiscal deficit. Yet the Government lavishly approves another \$1.49 billion to the Hong Kong Tourism Board (HKTB) to “promote” tourism in the new financial year. There are views that this initiative is tantamount to “random shooting”, “doing something for the sake of doing” and “promoting for the sake of promotion”.

Would the Financial Secretary, in the light of the above public views, consider whether to modestly reduce the funding allocated to HKTB so as to cut unnecessary government expenditure?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 6)

Reply:

As the COVID-19 epidemic has come under control gradually, it is anticipated that cross-boundary travel will gradually resume. However, tourism competition is expected to be more intense than ever, and hence the Government sees a need to support the Hong Kong Tourism Board (HKTB)’s work in stepping up efforts in launching various campaigns to promote Hong Kong. This enables Hong Kong to stand out from its rivals and remain competitive, with a view to revive business from source markets as soon as possible and attract visitors to return to Hong Kong, thereby reviving Hong Kong’s tourism industry. Thus, the 2021-22 Budget Speech has earmarked an additional funding of HK\$765 million for HKTB. Together with the recurrent funding, HKTB has a marketing budget of HK\$1.138 billion in the financial year 2021-22.

HKTB has formulated short and medium-to-long-term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong

Kong's ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

HKTB plans to deploy the additional funding in the following three areas:

Short-term strategies

- Cheerleading and boosting domestic consumption (including "Holiday at Home")
- Leveraging various promotional campaigns to maintain Hong Kong's international exposure
- Large-scale promotions to attract visitors when travel gradually resumes
- Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors

Medium-to-long term strategies

- Holistic review of Hong Kong's tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong's tourism image when travel gradually resumes
- Partnering with other cities in the GBA for global promotions to build the GBA tourism brand
- Creating a smart travel experience for visitors through a one-stop e-solution

Ongoing initiatives

- Enhancing subsidy schemes and sponsoring trade's participation in trade events to expedite business recovery
- Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually
- Organising mega events and supporting other events in town to maintain Hong Kong's international exposure

HKTB will adjust the deployment of resources according to epidemic development and progress of the resumption of international travel, and will continue to maintain flexibility and adopt a prudent approach under the principle of "spend as necessary" in its resource deployment. Unused additional funding will be fully returned to the Government.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)145

(Question Serial No. 1187)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

How much manpower and resources will be deployed by the Hong Kong Tourism Board to launch the “Holiday at Home” campaign in the 2021-22 financial year?

What programmes will be introduced under the campaign to encourage domestic consumption and support the tourism industry before the “resumption” of travel? What are the estimated expenditure and manpower to be involved for each programme? How to ensure that the expenditure will be properly spent? Will performance indicators be set for each programme to avoid wasting public money?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 7)

Reply:

The Hong Kong Tourism Board (HKTb) launched a local promotion platform, “Holiday at Home”, in June 2020, which introduced in-depth local itineraries and travel experiences at a dedicated website. The one-stop platform provided over 15 000 offers from dining and retail outlets, attractions and hotels, etc. to rebuild the local atmosphere and boost consumption, while delivering a positive message about Hong Kong to source markets and generating confidence among visitors in coming to the city in the future. There were nearly 3.7 million visits to the campaign website by the end of December.

The second phase of the “Holiday at Home” promotion was launched in late October 2020 with a Spend-to-Redeem Free Tour programme. Members of the public could redeem a quota for a free local tour upon spending \$800 in physical retail or dining outlets. HKTb supported travel agencies to organise local tours by subsidising \$500 for each tour participant. The programme encouraged the public to patronise physical outlets in town to maintain the chain of consumption and enhance the tourism ambience. The programme received an overwhelming response, with the 10 000-place quota for tours filled within about a week of its launch. Because of the evolving epidemic situation, the Free Tour

programme was suspended in December. The tours will resume when the epidemic situation stabilises and the group gathering restriction on local tours is relaxed.

In 2020-21, HKTB's estimated marketing budget and expenditure for the "Holiday at Home" campaign is \$85.5 million.

In 2021-22, until inbound travel resumes, HKTB will continue to leverage the "Holiday at Home" platform for local promotions and gather and promote numerous offers from the trade. Riding on the overwhelming response to the Spend-to-Redeem Free Tour programme, HKTB will launch a new "Staycation Delights" campaign with 20 000 quotas when the epidemic situation improves to provide the public with an additional option to enjoy the "spend-to-redeem" offers; when Government restrictions on local tours are relaxed, HKTB will roll out the Phase II of the "Free Tour" Programme with 20 000 quotas, thereby to promote the local ambience and boost consumption, deliver a positive message to source markets to prepare for tourism recovery, and increase travellers' confidence in visiting Hong Kong in the future. In 2021-22, HKTB's estimated marketing budget and expenditure for the "Holiday at Home" campaign is \$47.4 million.

HKTB has set up various key performance indicators for the "Holiday at Home" campaign, including website traffic, number of participants in the Spend-to-Redeem Free Tour and publicity effectiveness. Since the campaign will be undertaken by HKTB's existing manpower, it cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)146

(Question Serial No. 1188)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Tourism Board (HKTB) plans to launch the “Open House Hong Kong” platform as markets reopen. What are the details?

What are the manpower and expenditure expected to be involved in the above platform? What promotional campaigns are to be included?

If the epidemic of various source markets has yet to subside and “travel readiness” has yet to recover, will HKTB suspend the launching of the platform to reduce expenditure?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 9)

Reply:

The Hong Kong Tourism Board (HKTB) expects that after the epidemic, destinations worldwide will strive to attract visitors. Therefore, once travel between individual source markets and Hong Kong resumes, HKTB will roll out a promotion platform called “Open House Hong Kong” (known as 「再遇 · 就在香港」 in the Mainland market). In hope of standing out from the fierce competition for visitors’ attention and interest, HKTB will work with different trade partners to entice visitors by providing offers and exclusive experiences tailored to the interests and preferences of different markets, and offer promotional packages to drum up visitors’ desire to return to Hong Kong.

Based on the preliminary estimate of the pace of tourism recovery, the expenditure for the “Open House Hong Kong” campaign is estimated to be \$88.2 million in 2021-22. Actual deployment of resources will be subject to factors such as the epidemic situation and progress towards the resumption of international travel, and will be adjusted as necessary.

Since the campaign will be undertaken by HKTB’s existing manpower, it cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)147

(Question Serial No. 1207)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Tourism Board sets out the matters requiring special attention in 2021/22, which include “deploying AI chatbot technology to help handle visitors’ enquiries”. Regarding this matter:

- what is the expenditure involved?
- what are the improvements by deploying “AI chatbot technology” over real persons in handling visitors’ enquiries?
- are the matter and the expenditure essential?
- has any effectiveness indicator been set for the matter?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 15)

Reply:

The COVID-19 epidemic has made travellers more attuned to using technology. The Hong Kong Tourism Board (HKTB) has included smart travel and enhanced digitally-enabled experience as part of the medium-to-long-term strategy when formulating the 2021-22 work plan.

In terms of enhancing digital visitor services experience, HKTB will extend the online chat service to different digital platforms and instant messaging apps and apply artificial intelligence (AI) chatbot on instant messaging service platforms to enable visitors of the world to receive Hong Kong travel information round-the-clock and to support the handling of increased online visitors’ inquiries.

The objective of the use of the AI chatbot is to assist staff in providing consultation services to enable visitors to obtain the required information or assistance as soon as possible on a round-the-clock basis, and thus we have not set any numeric target for the service.

The total expenditure of the above project is estimated to be \$1 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)148

(Question Serial No. 1214)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

How much manpower and expenditure does the Hong Kong Tourism Board expect to spend on promoting “smart tourism” and “enhancing visitors’ digital experience” for the new financial year?

While tourism activities have almost come to a complete halt during the epidemic, is there any practical need for this item? Can non-essential manpower and expenditure be cut back as far as possible?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 16)

Reply:

The COVID-19 epidemic has made travellers more attuned to using technology. The Hong Kong Tourism Board (HKTB) has included smart travel and enhanced digitally-enabled experience as part of the medium-to-long-term strategy when formulating the 2021-22 work plan. Major work includes:

- developing a one-stop e-solution and launching it in phases. The e-solution will cover all stages of a visitor’s journey, from itinerary planning, visiting Hong Kong to returning to their place of residence, to provide visitors with seamless digital experience. The trade can also leverage this one-stop platform for creating more business opportunities or promotion; and
- HKTB will extend the online chat service to different digital platforms and instant messaging apps and apply artificial intelligence chatbot on instant messaging service platforms to enable visitors of the world to receive Hong Kong travel information round-the-clock and to support the handling of increased online visitors’ inquiries.

Relevant work is incorporated into HKTB's medium-to-long-term strategy, with an estimated expenditure of around \$28 million. The work is absorbed by existing staff establishment, which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)149

(Question Serial No. 1217)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During the 2021-22 financial year, the Hong Kong Tourism Board (HKTB) will “continue to adopt” the following “ongoing strategies”:

- promoting the Hong Kong Neighbourhoods district programmes;
- hosting the Wine & Dine Festival and the Cyclothon subject to social distancing measures;
- staging “A Symphony of Lights”;
- driving the recovery of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) industry;
- offering promotion support to cruise lines through Asia Cruise Fund, and preparing for the resumption of cruise sailings; and
- launching the Quality Tourism Scheme.

How much manpower and expenditure are required for each of these “strategies”? In light of the prolonged implementation of social distancing measures and the entry ban on visitors, should HKTB consider suspending or postponing these items to cut back expenditure and manpower?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 18)

Reply:

As the COVID-19 epidemic has come under control gradually, it is anticipated that cross-boundary travel will gradually resume. Hence, the Government sees a need to support the Hong Kong Tourism Board (HKTB)’s work in stepping up efforts in launching various campaigns to promote Hong Kong. This enables Hong Kong to stand out from its rivals and remain competitive, with a view to reviving business from source markets as soon

as possible and attract visitors to return to Hong Kong, thereby reviving Hong Kong's tourism industry.

Therefore, HKTB will continue the following campaigns in 2021-22 to maintain Hong Kong's diverse tourism appeal and drive industry recovery:

Neighbourhood programme and mega events

Continuing the promotion of "Old Town Central" and "Sham Shui Po" districts as well as other districts rich in local characteristics under the framework of the "Hong Kong Neighbourhoods", including the West Kowloon District to dovetail promotional efforts of the soon-to-be-opened M+ and the Hong Kong Palace Museum.

Planning to continue the staging of mega events, including "Hong Kong Cyclothon", "Hong Kong Wine & Dine Festival", "Hong Kong Winterfest", "New Year Countdown Celebrations" and "International Chinese New Year Celebrations". Among them, the "Hong Kong Cyclothon" is a large-scale cycling event with Guangdong-Hong Kong-Macao Greater Bay Area (GBA) elements under consideration. The "Wine & Dine Festival" is planned to stage in "Online + Offline" format, including a 4-day physical event and a diversified online platform to provide online gourmet information, online wine shop, online masterclasses as well as offers and events from local restaurants, etc.

"A Symphony of Lights" is a nightly multi-media show showcasing the vibrancy and glamorous night vista of Victoria Harbour to locals and visitors. HKTB will timely enhance the contents of the show as appropriate, with a view to offering a fresh visual experience to audience.

In 2021-22, HKTB received an additional funding of \$249 million from the Government to organise and sponsor mega events staging in Hong Kong. HKTB will closely monitor the latest situation of the epidemic and make timely adjustment to the strategy, format and arrangement of organising mega events in order to optimise use of the funding.

Meetings, Incentive Travels, Conventions and Exhibitions (MICE) tourism

The COVID-19 epidemic has brought serious adverse impact to the MICE tourism globally. HKTB envisages it that it will take some time for MICE tourism to recover. In 2021-22, the focus of the work of HKTB is to rebuild the confidence of MICE organisers and MICE visitors in Hong Kong; actively bid for large-scale or strategic international MICE events to stage in Hong Kong; attract high-yield visitors; strengthen support to the trade and assist the local MICE sector to solicit more visitors to Hong Kong. Major promotion work will be carried out on four fronts:

Rebuilding confidence

- Collaborating with internationally renowned commercial media to bid for international conferences and inviting top speakers from around the globe to draw media spotlight, building a reputation through successful staging of MICE events so as to raise Hong Kong's position and profile internationally.

- Working with local trade partners to actively participate in international MICE trade shows in major source markets to help them network and create business opportunities.
- Launching a new brand campaign to strengthen Hong Kong's image as "The World's Meeting Place" and attracting more MICE events of different scales to Hong Kong.

Driving recovery

- In partnership with hotels, airlines and attractions in relaunching "Meet On @ Hong Kong" to provide meetings and incentive travels with various hospitality offers and discounts so as to attract more visitors.
- Continue to take forward the "Hong Kong Convention Ambassador" programme under which over 100 professional and business leaders from various sectors have been invited to bring MICE events to Hong Kong together.
- Designing itineraries of different themes for incentive travels to promote Hong Kong's diverse and unique travel experiences and attract Mainland and overseas corporates to choose Hong Kong as the destination for their incentive travels.

Strengthening support to the trade

- Lowering the application threshold for the "Funding Support for Small-sized Meeting, Incentive & Convention Groups" from two-night stay to one-night stay, which will incentivise local operators to attract more groups of this type.
- Rolling out a new funding support scheme for the hotel sector to help them attract more small-sized corporate and international meetings.

Promoting long-term development

- Establishing Hong Kong as the MICE hub of the GBA; actively inviting related trades to organise large-scale GBA-themed international conferences in Hong Kong; and attracting global business travellers to participate in these MICE events and undertake site visits and tours in the region to stimulate the overall development of the MICE tourism market in the GBA.

HKTB plans to spend \$79.4 million on MICE tourism promotion in 2021-22. HKTB formulated this estimation mainly based on the projected pace of market recovery for the time being. HKTB will make adjustments according to the development of the epidemic situation, the recovery of different markets, and other relevant factors.

Cruise Tourism

Regarding promotion of cruise tourism, HKTB anticipates that cruise tourism will take a longer time to recover, and when the epidemic situation stabilises, HKTB will first start with local promotions on cruise trips that do not visit other ports-of-call apart from Hong Kong, namely "Staycation @ Sea", together with promotions on the new health and safety standards adopted by the cruise sector, to restore consumer confidence in cruise tourism

before gradually promoting the city's cruise tourism in Mainland and international markets. At the same time, HKTB will increase the matching fund for the cruise sector to help the trade to develop fly-cruise and rail-cruise packages. HKTB will also continue to promote regional cooperation of cruise sectors through Asia Cruise Cooperation (ACC) and, through subsidies under Asia Cruise Fund, to encourage cruise operators to include ACC member ports into their cruise itineraries.

For 2021-22, the amount budgeted for promoting cruise tourism by HKTB is around \$26 million.

Quality Tourism Services (QTS) Scheme

HKTB will continue enhancing the overall service quality in 2021-22. Major works include:

- Producing QTS Scheme's promotional videos, providing training programmes for members of the industries and playing up staff recognition of dining and retail practitioners providing quality services;
- Recruiting more quality merchants to join the QTS Scheme, in particular targeting merchants that appeal to both local residents and overseas visitors; and
- Through the cooperation with digital media and electronic payment platforms to strengthen the competitiveness and opportunities of exposure of QTS merchants.

In 2021-22, HKTB's initial budget for implementing the above programmes is \$25.8 million.

The above work plan and resource deployment is based on an estimate of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress towards the resumption of international travel, and will be evaluated and adjusted according to prevailing conditions. The above work is absorbed by existing staff establishment and cannot be separately quantified.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)150

(Question Serial No. 1427)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The COVID-19 epidemic in 2020-21 has brought global tourism to a standstill. The publicity work of the Hong Kong Tourism Board (HKTB) has also nearly ground to a halt. Please inform this Committee of the following:

- (1) By what means and on what basis does the HKTB determine the remuneration, welfare benefits and annual remuneration adjustment of its staff (including the management)?
- (2) Due to the spread of the epidemic last year and this year, global and local tourism has come to a complete standstill. How does the HKTB reflect and cater for such market conditions when adjusting its staff remuneration and establishment?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 31)

Reply:

The Hong Kong Tourism Board (HKTB) has established a pay structure to determine pay range of staff of different job levels, and will review and adjust the pay structure regularly with reference to market level. Staff benefits are also made with reference to market levels and are regularly reviewed and adjusted according to actual market situations. The relevant adjustments are approved by the Board of HKTB.

Staff annual salary adjustment will be made with reference to market situations, salary adjustment of civil servants, as well as staff's performance and the comparative-ratio (i.e. the relative level of the staff's salary in the pay structure). Having regard to the impact of the epidemic, the Senior Executives of HKTB's Head Office took the initiative to give up the Variable Pay of 2019-20. Also, salary of all staff of HKTB has been frozen in 2020-21.

HKTB, having regard to the epidemic situation, latest market situations and overall economic situations, decided to freeze recruitment for majority of the vacant positions. Currently, the number of vacancies that have been put on hold for recruitment increased from 22 (as at 31 March 2020) to 27 (as at 28 February 2021).

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)151****(Question Serial No. 1431)**

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The COVID-19 epidemic in 2020-21 has brought global tourism to a standstill. The publicity work of the Hong Kong Tourism Board (HKTB) has also nearly ground to a halt. Please inform this Committee of the following:

- (1) What were the expenditures for maintaining the HKTB's staff establishment alone (excluding the expenditures for the "publicity" and "promotion" of Hong Kong tourism), the remuneration and the welfare benefits in the past 3 financial years?
- (2) What are the changes in the expenditure for maintaining its staff establishment in the coming financial year compared with the aforementioned 3 financial years?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 32)

Reply:

In the past 3 financial years, the expenditures on salaries and benefits for maintaining staff establishment (excluding the expenditures for the "publicity" and "promotion" of Hong Kong tourism) of the Hong Kong Tourism Board (HKTB) are detailed as follows:

Financial year	Expenditures on salaries and benefits	Percentage change
2018-19	About HK\$279 million	-
2019-20	About HK\$294 million	4%
2020-21	About HK\$281 million#	-3%

Latest estimates

Changes of staff costs are subject to various factors, including staff turnover and filling of vacancies, staff salary adjustment based on performance review of the previous year,

exchange rate of Hong Kong dollar, etc. Expenditure on staff costs in 2019-20 increased mainly because of the filling of vacant positions and staff salary adjustment. Having regard to the epidemic, the Senior Executives of HKTB's Head Office took the initiative to give up the Variable Pay of 2019-20. Also, salary of all staff of HKTB has been frozen in 2020-21.

The 2020-21 expenditures on salaries and benefits dropped because HKTB, having constantly reviewed a number of factors including the epidemic situation, latest market situations and overall economic situations, decided to freeze recruitment for majority of the vacant positions.

HKTB will take into account factors including pace of travel resumption and tourism recovery and the overall economic situation when deciding whether to resume recruitment for the currently frozen positions, and therefore it is hard to estimate the 2021-22 expenditures for staff's salaries and benefits. However, under the current situation, the costs are estimated to be similar to that in 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)152

(Question Serial No. 3073)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the estimated expenditure for the Hong Kong Tourism Board in using ‘virtual’ and ‘augmented reality technologies’ to develop immersive videos? How many videos will be developed?

What are the digital and social media channels for releasing the videos?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 8)

Reply:

To further strengthen Hong Kong’s tourism brand, the Hong Kong Tourism Board (HKTb) launched a “360 Hong Kong Moments” campaign in October 2020, with the aim of producing about 20 videos on a variety of themes using the latest 360-degree Virtual Reality panoramic technology or other innovative filming techniques. HKTb also adopted other innovative means, such as using augmented reality technology to design online games, for promoting Hong Kong’s diverse travel experiences.

The campaign spans across 2020-21 and 2021-22. In addition to broadcasting on HKTb’s website, the videos were also continuously promoted through popular digital and social platforms, such as YouTube, Facebook, Instagram, TikTok, WeChat and Weibo, and widely reached over 10 source markets, covering the young segment in the Mainland, Europe, US, Japan, South Korea, Southeast Asia, and so on. Besides, HKTb also worked with popular video-sharing social platform TikTok to offer an interactive game under the theme of “360 Hong Kong Moments” and designed with augmented reality technology. It has garnered over 4.5 billion views so far.

HKTb’s estimated expenditure for the “360 Hong Kong Moments” campaign in 2020-21 and 2021-22 is about \$16 million and \$10 million respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)153

(Question Serial No. 3077)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the cruise terminals in Hong Kong mentioned under Head 152, will the Government inform this Committee of the following:

- (1) What were the ratio of the Kai Tak Cruise Terminal's total operating revenue to its expenditure and their percentage change in the past 3 financial years?
- (2) The Financial Secretary mentioned in his Budget Speech that the local tourism industry has been brought to a standstill. The number of visitor arrivals plummeted and the shops in the cruise terminal closed down successively. Have respective assessments been made on the operating loss and the subsidy relating to the cruise terminal in the new financial year?
- (3) In paragraph 23 of the Controlling Officer's Report, it is mentioned that the Branch will work closely with the operators of the two cruise terminals, and the Hong Kong Tourism Board to promote cruise tourism when cruise operation resumes. For the promotion of cruise tourism, what are the expenditure and manpower involved, and details of the work concerned?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 11)

Reply:

The Kai Tak Cruise Terminal (KTCT) is operated by a terminal operator under commercial principles, and any surplus and deficit are borne by the terminal operator. According to the tenancy agreement between the Government and the terminal operator, the terminal operator is required to pay to the Government a monthly fixed rent, as well as a variable rent which is set as designated percentages of the terminal operator's gross receipts. As the rental

income of and the amount of rent paid by the terminal operator to the Government involve commercially sensitive information, we cannot disclose the relevant information.

During the six-year period from the commissioning of KTCT in 2013 to 2019, judging from the rent (including both fixed and variable rent) received by the Government from the terminal operator, the latter's business conditions were good. However, the COVID-19 epidemic has brought great impact to global cruise tourism, and immigration service at KTCT has been suspended since February 2020. To support the business of relevant sectors amidst the epidemic, the Government has rolled out various helping measures, including waiving monthly fixed rent and management fees for the terminal operator of KTCT. The concession period starts from 1 June 2020 and has been further extended to 30 September 2021 under the 2021-22 Budget. As at end-March 2021, the terminal operator of KTCT has been waived fixed rent and management fees amounting to some \$7 million.

Regarding promotion of cruise tourism, the Hong Kong Tourism Board (HKTB) anticipates that cruise tourism will take a longer time to recover, and when the epidemic situation stabilises, HKTB will first start with local promotions on cruise trips that do not visit other ports-of-call apart from Hong Kong, namely "Staycation @ Sea", together with promotions on the new health and safety standards adopted by the cruise sector, to restore consumer confidence in cruise tourism before gradually promoting the city's cruise tourism in Mainland and international markets. At the same time, HKTB will increase the matching fund for the cruise sector to help the trade to develop fly-cruise and rail-cruise packages. Individual projects for promoting "fly-cruise", "rail-cruise" and Asia Cruise Cooperation will be adjusted according to market situations and absorbed by existing staff establishment and expenditure, which can hardly be quantified separately.

For 2021-22, the amount budgeted for promoting cruise tourism by HKTB is around \$26 million, which is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted as necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)154

(Question Serial No. 3079)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the income and expenditure of the Cruise Terminal in the past 2 years (please list in detail its shop rental income, berthing fee for cruise ships, operational expenditure, as well as maintenance expense)?

After deducting the income, what was the expenditure of the Government on subsidising the Cruise Terminal's operation (with repairing cost)?

How much will the Government set aside for or subsidise the Cruise Terminal in the new financial year?

Is there any policy to minimise the abovementioned subsidy and expenditure?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 19)

Reply:

The Kai Tak Cruise Terminal (KTCT) is operated by a terminal operator under commercial principles, and any surplus and deficit are borne by the terminal operator. According to the tenancy agreement between the Government and the terminal operator, the terminal operator is required to pay to the Government a monthly fixed rent, as well as a variable rent which is set as designated percentages of the terminal operator's gross receipts. As the rental income of and the amount of rent paid by the terminal operator to the Government involve commercially sensitive information, we cannot disclose the relevant information.

During the six-year period from the commissioning of KTCT in 2013 to 2019, judging from the rent (including both fixed and variable rent) received by the Government from the terminal operator, the latter's business conditions were good. However, the COVID-19

epidemic has brought great impact to global cruise tourism, and immigration service at KTCT has been suspended since February 2020. To support the business of relevant sectors amidst the epidemic, the Government has rolled out various helping measures, including waiving monthly fixed rent and management fees for the terminal operator of KTCT. The concession period starts from 1 June 2020 and has been further extended to 30 September 2021 under the 2021-22 Budget. As at end-March 2021, the terminal operator of KTCT has been waived fixed rent and management fees amounting to some \$7 million.

As regards the expenditure for the maintenance and repair of KTCT, as there are other facilities in the terminal building, including the ancillary commercial area, the transportation area, the rooftop garden and the communal area which are open for public use, the expenditure for the cruise terminal operation in relation to facility maintenance and repair can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)155

(Question Serial No. 3094)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2021-22 under Programme (6) that the Commerce, Industry and Tourism Branch “will continue to monitor the implementation of the pilot scheme on food trucks during the further extension period”. Please advise this Committee of the following:

- (1) How many food trucks are still in operation for the time being? How many food truck operators have ceased business?
- (2) The epidemic has prevailed for a year. What are the number of operation days, income and expenditure, as well as the profit or loss account of each food truck? What are the changes as compared to the previous financial year?
- (3) Given that the epidemic has subsided, what new initiatives has the Government come up with to help food truck operators restore profitability? and
- (4) In view of the continuous criticism of the Food Truck Pilot Scheme since its implementation and the increasingly difficult operating conditions, will the Government timely terminate the Scheme to reduce loss of the operators? Will the Government consider including the Scheme into the training programmes for civil servants as a case of failure in policy for topical study, so as to alert the newly appointed Administrative Officers to be more prudent in rolling out new policies in the future?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 43)

Reply:

The Food Truck Pilot Scheme (the Scheme) was launched in February 2017 and 15 food

trucks commenced operation successively. Upon the withdrawal of 3 food trucks in December 2019, February 2020 and February 2021, there are currently 12 food trucks operating under the Scheme.

All businesses bear the brunt of the negative impact arising from the social incidents in 2019 and the current COVID-19 outbreak. Since the outbreak of the pandemic early last year, many operating venues have been closed for most of the time for implementing social distancing measures. Food trucks were unable to maintain normal operation. In 2019 and 2020, the operation rate of food trucks over the total available operating days is 35% and 15% respectively.

According to the statements of account submitted by the food truck operators, the gross revenue of 15 food trucks (including the 3 food trucks already withdrawn from the Scheme) was about \$52 million as at end February 2021. Details are shown in the table below:

Gross revenue (up to end February 2021)	Number of food trucks
Over \$5 million	1
Over \$4.5 million to \$5 million	2
Over \$4 million to \$4.5 million	3
Over \$3.5 million to \$4 million	2
Over \$3 million to \$3.5 million	2
Over \$2.5 million to \$3 million	2
Over \$2 million to \$2.5 million	2
\$1 million or below	1

Tourism Commission (TC) does not keep information on the operating cost of each food truck and thus is unable to comment on their profit or loss.

Starting from February 2021, the operating venues which were closed for a long time last year have reopened successively for food truck to resume operation. At the same time, the 75% rental concession offered by the government for food trucks operating at its venues will be extended to September 2021; the 20% and 30% rental concession offered by Hong Kong Disneyland and Ocean Park have been extended to March and June 2021 respectively. TC will continue to maintain communication with food truck operators to facilitate their operation and collect more data on the business performance of food trucks so as to determine the way forward of the Scheme.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)156

(Question Serial No. 2249)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. There will be a net decrease of 13 posts in 2021-22. What are the reasons for such decrease and the expenditure involved?
2. Among the expenditure for supporting the travel industry in the Budget, \$169 million has been earmarked 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 strengthen its appeal as a heritage and green tourism attraction; taking forward the upgrading of facilities in the Hong Kong Wetland Park (HKWP); face-lifting of Yim Tin Tsai Pier and Ma Liu Shui Ferry Pier; developing a hiking hub in Lantau; and planning for a similar development at Pak Tam Chung. What are the respective expenditures and schedules of the projects?
3. What are the specific contents of the upgrading of facilities in the HKWP? What new elements will be added?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 18)

Reply:

13 time-limited posts under Programme (6) will be deleted upon lapse in 2021-22. The saving of salary provision is about \$4.1 million. Details are as follows:

Rank	Number of post(s)	Job nature and area of work
Senior Estate Surveyor	1 [#]	To provide support for taking forth tourist facilitation measures in relation to transport connectivity.

Rank	Number of post(s)	Job nature and area of work
Chief Executive Officer	1 [#]	To provide support for the implementation of the Food Truck Pilot Scheme.
Assistant Clerical Officer	1 [#]	
Senior Executive Officer	1 [*]	To provide support for the licensing of travel agents.
Executive Officer I	1 [*]	
Senior Treasury Accountant	1 [*]	To provide support for the establishment of the Travel Industry Authority.
Chief Executive Officer	1 [*]	
Senior Executive Officer	1 [*]	
Treasury Accountant	1 [*]	
Executive Officer I	2 [*]	
Personal Secretary I	1 [*]	
Assistant Clerical Officer	1 [*]	

[#] The posts will be deleted upon lapse on 1 April 2021.

^{*} The posts will be deleted upon lapse on 1 March 2022.

The Government will allocate \$169 million to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) “City in Time ” – Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. “City in Time” is a tourism project, under which TC partners with the School of Creative Media, City University of Hong Kong, to bring back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
(2) “Design District Hong Kong” (#ddHK) – New tourism projects with	<ul style="list-style-type: none"> The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and

Initiatives	Details and Latest Progress
creative, artistic and cultural elements	<p>enrichment of travel experience for visitors with creative and artistic elements.</p> <ul style="list-style-type: none"> • “#ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
(3) “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
(4) “Enhancement of Hiking Trails – Phase II”	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

In addition to the new funding of \$169 million aforementioned, TC will continue to work with relevant government departments, including AFCD and the Civil Engineering and Development Department (CEDD), utilising funding previously allocated, 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 (WNCGT) so as to strengthen its appeal as a heritage and green tourism attraction; taking forward the upgrading of the facilities in the Hong Kong Wetland Park (HKWP); face-lifting of Yim Tin Tsai Pier and Ma Liu Shui Ferry Pier; developing a hiking hub in Lantau; and planning for a similar development at Pak Tam Chung. The details and progress of the aforementioned tourism products are as follows:

Tourism Products	Details and Latest Progress
(1) “Enhancement of Hiking Trails – Phase I”	<ul style="list-style-type: none"> The Government has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 for implementation of the “Enhancement of Hiking Trails - Phase I” to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. In 2021-22, AFCD will continue to improve MacLehose Trail Section 4 (Ma On Shan Country Park), Wilson Trail Section 2 (Tai Tam Country Park and Tai Tam Country Park (Quarry Bay Extension)) and Kiu Tsui (Sharp Island) (Kiu Tsui Country Park) for completion in the fourth quarter of 2021 to tie in with the hiking season. The remaining improvement works covering Lau Shui Heung (Pat Sin Leng Country Park) will commence in 2022. The overall improvement works of Phase I are expected to be completed in the fourth quarter of 2022.
(2) Upgrading the facilities of WNCGT	<ul style="list-style-type: none"> TC, in collaboration with the Architectural Services Department (ArchSD) and other relevant departments, has worked out the proposal for upgrading the facilities of WNCGT, mainly including improvement works of tourism supporting facilities, repair works of damaged paths, etc. The total budget is estimated at \$4 million. ArchSD has appointed a consultant in October 2020 to carry out the preparatory work for the commencement of construction, including design proposal for tourism supporting facilities and details of tender exercise of the works. It is expected that the construction works will commence in the fourth quarter of 2021 for completion in the second quarter of 2022.
(3) Upgrading of the facilities in HKWP	<ul style="list-style-type: none"> AFCD has commenced a consultancy study in November 2019 to review the exhibition and visitor facilities of HKWP and for drawing up an implementation plan as well as the budget based on the preliminary findings of the study. TC and AFCD will seek the necessary funding from the Legislative Council to enhance the facilities of HKWP.

Tourism Products	Details and Latest Progress
(4) Face-lifting of Yim Tin Tsai Pier and Ma Liu Shui Ferry Pier	<ul style="list-style-type: none"> ● TC, in collaboration with CEDD, will carry out minor improvement works for the Ma Liu Shui Ferry Pier and the Yim Tin Tsai Pier which are gateways to the Hong Kong UNESCO Global Geopark, with a view to improving the supporting facilities of green attractions at remote areas. The improvement works cover new roof canopy, benches, railings, pier name plate, floor paving, installation of GovWifi and information board, etc. ● The face-lifting works at the Ma Liu Shui Ferry Pier has commenced in December 2020 for completion by end-2021. The cost of works is estimated to be around \$6 million. ● The improvement works for the Yim Tin Tsai Pier is expected to commence in the second half of 2021 for completion in the second half of 2022. The cost of works is estimated to be around \$9 million.
(5) Development of a hiking hub in Lantau	<ul style="list-style-type: none"> ● The Government is improving the facilities of the Ngong Ping Nature Centre to provide visitors with more comprehensive information on the nearby hiking trails. The renovated centre, which will enhance the provision of hiking information with interactive elements and guided tour services, is expected to be reopened in 2021. The estimated project expenditure from 2019-20 to 2022-23 is around \$6.5 million. ● The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving some sections of the Nei Lak Shan Country Trail and Lantau Trail, enhancing visitor signage, as well as expanding and constructing viewing platforms. The enhancement of visitor signage and part of the improvement works on hiking trail sections have already been completed in 2019 and 2020, while the remaining works are expected to be completed by phases from 2021 to 2022 with an estimated expenditure of around \$15 million.
(6) Planning study of developing Pak Tam Chung into a green tourism hub	<ul style="list-style-type: none"> ● AFCD has engaged a consultant to conduct a planning study in April 2020 on the proposed service requirements and improvement measures in developing Pak Tam Chung into a green tourism hub. The planning study is expected to be completed by May 2021. AFCD will draw up an implementation plan and budget according to the findings of the study.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)157

(Question Serial No. 2922)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the allocation of \$375 million to the Hong Kong Trade Development Council for developing virtual platforms to enhance its capability to organise online activities and to proceed with digitalisation, please provide details of the relevant work and the expenditure involved in enhancing its capability to organise online activities and proceeding with digitalisation.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 3)

Reply:

To further assist Hong Kong companies to operate in the business environment which is affected by the COVID-19 outbreak, the Government will provide an additional subvention of a total of \$375 million to the Hong Kong Trade Development Council (TDC) from 2021-22 to 2023-24, including \$301 million in three years to subsidise TDC to develop virtual platforms. TDC will enhance its capability to organise online activities in order to provide a seamless event experience for users (e.g. enhancing instant interaction functions, using artificial intelligence to help users conduct year-round business matching). At the same time, TDC will proceed with digitalisation to enhance its overall service efficiency and quality, as well as upgrade its online service system to facilitate service users and provide personalised market analysis. TDC will also strengthen big data analysis to help forecast future business trends, and provide to small and medium enterprise services that are more effective, more diversified and better suit their needs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)158

(Question Serial No. 2923)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (HKTDC) will explore the use of its physical and online Business-to-Consumer platforms to assist young business starters in promoting their original products and gauging the preference of consumers. What is the expenditure involved? Has any timetable for conducting and implementing the relevant work been set? How will the HKTDC assist, attract and enable young business starters to participate in and get to know the platforms?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 4)

Reply:

In 2021-22, to provide more channels for young people to promote their designs and products, the Hong Kong Trade Development Council (TDC) plans to partner with non-profit-making organisations that are related to youth and creativity, and make use of TDC's physical and online business-to-consumer activities such as convention and exhibition activities, as well as channels like Design Gallery, to provide platforms for young business starters to promote their original products and gauge the preference of consumers.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)159

(Question Serial No. 2955)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. The community generally believe that owing to the epidemic, we will not be able to see Hong Kong's economic recovery within a short period of time. Will the Government consider extending the Special 100% Guarantee Product Scheme by more than one year so as to give enterprises confidence to continue with their business operation. If no, what are the reasons?
2. Under the Special 100% Guarantee Product Scheme, the maximum loan amount per enterprise will be increased from the total amount of employee wages and rents for 12 months to that for 18 months and the loan ceiling will be raised from \$5 million to \$6 million. Is this expected to add to the bad debts and what are their percentages?
3. Since the implementation of the SME Financing Guarantee Scheme, what are the percentages of bad debts and the amount of bad debts involved?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.:1)

Reply:

To assist enterprises hard hit by the COVID-19 epidemic in coping with cash flow problems, the Government launched on 20 April 2020 the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS), for one year, to provide low-interest concessionary loans to small and medium enterprises (SMEs). As at end February 2021, \$45.33 billion of loans were approved, benefitting over 21 000 enterprises, involving over 268 000 employees.

As the epidemic has been lingering on for over one year, to continue to relieve the cash flow pressure of SMEs, the Financial Secretary announced in the 2021-22 Budget the extension of the application period of the Special 100% Guarantee Product to 31 December 2021; and

further increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months; with the ceiling increasing from \$5 million to \$6 million. In addition, having considered the repayment pressure faced by SMEs, the maximum repayment period would be extended from five years to eight years; while the maximum duration of principal moratorium would be extended from 12 months to 18 months, thereby relieving the burden on SMEs.

In estimating the maximum expenditure of the Special 100% Guarantee Product, the Government has assumed the overall default rate to be 25%. As at end February 2021, the Special 100% Guarantee Product recorded a total of 10 default cases, involving loan guarantee amount of about \$17 million, accounting for 0.04% of the total loan guarantee amount of approved cases, which is far lower than the assumed overall default rate. As such, the Government considers that the maximum expenditure reserved for the Special 100% Guarantee Product should be sufficient to cater for expenses involved in new default cases that might occur in the future.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)160

(Question Serial No. 2957)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Since some tourism activities were cancelled last year due to the epidemic, which reduced the expenditure of the Hong Kong Tourism Board (HKTB). What is the reduction in expenditure? In this financial year, a total of \$934 million will be earmarked to enhance tourism resources. Does the amount include any unspent estimated expenditure of last year?
2. Of the \$934 million set aside to enhance tourism resources, \$169 million will be used to continue to take forward local tourism, such as, to develop more green tourism resources. The HKTB mentioned earlier that the promotion and publicity programmes this year would still be targetted at the Mainland. How will the Government attract more visitors to participate in green tourism, while enhancing the protection of animals and plants in the countryside?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 6)

Reply:

The provision allocated to Hong Kong Tourism Board (HKTB) in the financial year 2020-21 was \$1.498 billion. The actual total expenditure of HKTB for the financial year 2020-21 amounted to around \$753 million, inclusive of around \$400 million as its marketing expenditure. The remainder is estimated to be over \$700 million, and HKTB will return it in full to the Government. The provision for HKTB in 2021-22 is \$1.493 billion. It does not include the aforementioned remainder from last year.

The Government also notices that the growing popularity of hiking activities in recent years has increased the patronage of hiking trails. In addition to repairing the damaged hiking trails through the enhancement programmes, as well as arranging vegetation management and tree-planting at suitable locations, the Government is also committed to the promotion of Hiking Etiquette, such as "Take Your Litter Home", and enhancement of awareness on

respecting and treasuring the countryside environment among hikers, with a view to reducing the impacts on the natural environment.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)161

(Question Serial No. 2958)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. As regards the funding application to the Legislative Council for redevelopment of the Air Mail Centre, what are the specific details including the software and hardware facilities required and the amount of funding involved? In what way will these facilities enhance the transshipment capacity of Hong Kong and support the long term development of postal industry in the Greater Bay Area?
2. The Government expects that the Air Mail Centre will be put into operation in late 2027 at the soonest. Why does it take such a long time for the redevelopment? Will it affect the development and competitiveness of air mail services for Hong Kong?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 10)

Reply:

We propose to redevelop the Air Mail Centre (AMC) into a four-storey building within the maximum building height of 34 m. The total net operational floor will be approximately 46 000 m², which is around 3.6 times of that of the existing AMC building. The estimated total project cost, comprising design and construction, related demolition, decantation and acquisition of new equipment is HK\$4,611.3 million in money-of-the-day price. After redevelopment, the new AMC would have its annual handling capacity increased by about 4.5 times from the existing 40 000 tonnes to 180 000 tonnes. The project will also transform a traditional mail centre mainly for handling incoming and outgoing mail bags to one of the strategic postal and high value-added logistics hubs in the Guangdong-Hong Kong-Macao Greater Bay Area.

The Government would submit a funding application to the Legislative Council within this year to redevelop the AMC. The redevelopment project is expected to complete in

83 months after funding approval and appropriation to the Post Office Trading Fund. We expect to bring the new AMC into operation by end 2027 the earliest.

For the redevelopment of AMC project, Hongkong Post (HKP) is required to arrange tender exercises on appointment of architectural and associated consultants for detailed design and works tender preceding to the start of construction works. This will take about 20 months to complete.

In addition, to ensure that airmail service will not be affected during the redevelopment of the AMC, it is estimated that about 18 months' time should be reserved for construction of a Decanting Building at the existing AMC site to handle inbound and outbound handover functions with airline representatives. The mail processing functions in the existing AMC will be temporarily relocated to the General Post Office of HKP while the e-commerce mail processing will be carried out at other facilities in the Hong Kong International Airport, like the Cargo Terminal Operators. After the Decanting Building completes and commences operation, the existing AMC building will then be demolished for construction.

As for the construction period for new AMC building, it will be around 39 months, including demolition of existing building, construction of new building, installation of building services and new material handling system, security screening system, and testing and commissioning, etc. As the AMC is located near the airport's runway, HKP conducted a Wind Study in 2018 on the maximum height and roof-top shape of the redeveloped AMC building which was accepted by Hong Kong Observatory (HKO) including its Windshear and High Impact Weather Panel. During the detailed design stage, HKP will conduct another wind study as required by HKO to ensure that the building design of new AMC would not affect the operation of the runway. Considering that the redevelopment consists of works with complexity like demolition, construction and installation of new equipment and machinery, etc., the above-mentioned construction period takes similar time as construction of an industrial building. After the construction, in-take to the new building will be in phases within around 6 months' time.

When compared to other HKP projects such as the HKP Building, the above-mentioned construction period is considered a reasonable and pragmatic estimate. During the construction period, the transitional arrangement can maintain the existing airmail service and meet the need for its expected growth.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)162

(Question Serial No. 0983)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Due to the impact of social incidents and the pandemic, the convention, exhibition and tourism events were dragged down substantially over the past year. Will the Government inform this Committee of the following:

- (1) the estimated and actual government expenditures on the projects to promote convention and exhibition events over the past year;
- (2) the government expenditures set aside to promote Hong Kong's convention and exhibition business in the Mainland and overseas, as well as the specific plans for this year

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 3)

Reply:

The Government established the Convention and Exhibition Industry Subsidy Scheme (the Scheme) under the Anti-epidemic Fund with a commitment of \$1,020 million. The Scheme has two parts. One part of it, which was launched on 3 October 2020, subsidises organisers of exhibitions and international conventions held at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo 100% of the venue rental. The other part of the Scheme, which was launched on 30 November 2020, subsidises exhibitors of exhibitions and participants of major conferences organised by the Hong Kong Trade Development Council 50% of the participation fee. In light of the development of the COVID-19 epidemic, the Scheme has been extended to 31 December 2021. As at 28 February 2021, the Scheme has subsidised 18 exhibitions, involving a total subsidy amount of about \$38.9 million. The relevant financial implications will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill nor the estimates on the General Revenue Account.

In addition, the Government has been providing funding to the Hong Kong Tourism Board (HKTB) each year to support its Meetings, Incentive Travels, Conferences, and Exhibitions (MICE) tourism promotion. HKTB originally budgeted \$88.80 million for MICE tourism promotion in 2020-21. However, the epidemic has brought serious adverse impact to MICE tourism globally. The market has yet to recover and most of the promotional work could not be pursued as scheduled. In this regard, HKTB has revised the estimates for promoting MICE tourism in 2020-21 to \$17.4 million.

In 2021-22, the focus of the work of HKTB is to rebuild the confidence of MICE organisers and MICE visitors on Hong Kong; actively bid for large-scale or strategic international MICE events to stage in Hong Kong; attract high-yield visitors; strengthen support to the trade and assist the local MICE sector to solicit more visitors to Hong Kong. Major promotion work will be carried out on four fronts:

Rebuilding confidence

- Collaborating with internationally renowned commercial media to bid for international conferences and inviting top speakers from around the globe to draw media spotlight, building a reputation through successful staging of MICE events so as to raise Hong Kong's position and profile internationally.
- Working with local trade partners to actively participate in international MICE trade shows in major source markets to help them network and create business opportunities.
- Launching a new brand campaign to strengthen Hong Kong's image as "The World's Meeting Place" and attracting more MICE events of different scales to Hong Kong.

Driving recovery

- In partnership with hotels, airlines and attractions in relaunching "Meet On @ Hong Kong" to provide meetings and incentive travels with various hospitality offers and discounts so as to attract more visitors.
- Continue to take forward the "Hong Kong Convention Ambassador" programme under which over 100 professional and business leaders from various sectors have been invited to bring MICE events to Hong Kong together.
- Designing itineraries of different themes for incentive travels to promote Hong Kong's diverse and unique travel experiences and attract Mainland and overseas corporates to choose Hong Kong as the destination for their incentive travels.

Strengthening support to the trade

- Lowering the application threshold for the "Funding Support for Small-sized Meeting, Incentive & Convention Groups" from two-night stay to one-night stay, which will incentivise local operators to attract more groups of this type.
- Rolling out a new funding support scheme for the hotel sector to help them attract more small-sized corporate and international meetings.

Promoting long-term development

- Establishing Hong Kong as the MICE hub of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA); actively inviting related trades to organise large-scale GBA-themed international conferences in Hong Kong; and attracting global business travellers to participate in these MICE events and undertake site visits and tours in the region to stimulate the overall development of the MICE tourism market in the GBA.

HKTB plans to spend \$79.4 million on MICE tourism promotion in 2021-22. HKTB formulated this estimation mainly based on the projected pace of market recovery for the time being. HKTB will make adjustments according to the development of the epidemic situation, the recovery of different markets, and other relevant factors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)163

(Question Serial No. 0987)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Owing to the epidemic, the Hong Kong's cruise business has been put to a halt for over a year. As the epidemic situation has gradually become stabilised, the industry earnestly hopes that the cruise business can be resumed. In this connection, will the Government inform this Committee of the following:

- (1) Has the Government proactively coordinated with relevant government departments to reactivate the Hong Kong's cruise business? If yes, what are the details? If no, what are the reasons?
- (2) Will the Government consult the cruise lines and formulate standards of the quarantine and sanitary facilities for cruise vessels to be implemented by the industry in a bid to restoring the confidence of passengers? If yes, what are the details? If no, what are the reasons?
- (3) How did the Government support the cruise lines, tenants of the terminal building and terminal operators in the previous year? Will the same support be provided in the coming year?

Asked by: Hon Yiu Si-wing (LegCo internal reference no.: 12)

Reply:

In the light of the COVID-19 epidemic situation, the Government has suspended immigration service at the two cruise terminals (i.e. Kai Tak Cruise Terminal (KTCT) and Ocean Terminal) since February 2020. The Government has been monitoring the situation and maintaining communication with the trade, and introduced various helping measures, including:

- offering reduction of fees and rents for cruise lines berthing at KTCT and tenants of KTCT. The concession period commenced on 1 December 2019, and has been further extended to 30 September 2021 under the 2021-22 Budget;
- providing refund to cruise lines in respect of berth deposits for cancelled ship calls during suspension of immigration service at the cruise terminals, on the condition that they re-schedule the concerned ship call anytime before 30 September 2021; and
- waiving the monthly fixed rent and management fee of the operator of KTCT. The concession period commenced on 1 June 2020, and has been further extended to 30 September 2021 under the 2021-22 Budget.

Having regard to the latest epidemic development and the gradual resumption of domestic cruise travel in nearby regions such as Taiwan, Singapore and Japan, the Government will continue to explore the feasibility of resuming cruise travel with implementation of effective anti-epidemic and social distancing measures provided that the epidemic situation remains stable.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)164

(Question Serial No. 0991)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Would the Bureau please provide information on the recurrent and additional provisions allocated to the Hong Kong Tourism Board (HKTB) under the Budgets, the actual expenditures and the remaining balances in each of the past 3 years?
2. What events have been cancelled due to the protests against the anti-extradition amendment bill in 2019 and the COVID-19 pandemic? What are the respective expenditures involved?
3. In the face of the epidemic, what cost-saving measures did HKTB have in place internally over the past year?
4. How will HKTB deal with the provisions unspent as the tourism industry has come to a halt?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 17)

Reply:

Details of the Hong Kong Tourism Board's (HKTB) allocated funding, actual expenditures and remaining balances of the past three years are shown below:

	2018-19	2019-20	2020-21
Government subvention	\$1.001 billion	\$1.085 billion	\$1.502 billion
Other income (including sponsorship, participation fee for mega events, tickets sales, interests etc.)	\$178 million	\$66.4 million	\$20.1 million (projection)
Actual expenditures	\$1.151 billion	\$877 million	\$753 million#
Balance	\$28 million	\$274.4 million	More than \$700 million #

Latest estimates

* Part of the amount was rolled over to 2019-20 for use

In view of the social incidents in 2019 and the COVID-19 epidemic, HKTB cancelled the following mega events after careful consideration and immediately liaised with the related contractors to minimise the cost involved. Details are set out as follows:

Event	Actual organising and marketing expenses* (HK\$)
2019 Hong Kong Dragon Boat Carnival	About 12.4 million
2019 Hong Kong Cyclothon	About 9 million
2019 Hong Kong Wine & Dine Festival	About 25 million
2020 International Chinese New Year Celebrations	About 31 million
2020 Hong Kong Dragon Boat Carnival	0
2020 Hong Kong Cyclothon	About 1.1 million

* As the preparatory work for the events had started, HKTB still had to bear some expenditures.

Due to the epidemic, HKTB has adjusted its strategies. In addition to shelving part of its promotional work and adjusting arrangements for mega events, HKTB has also adopted various cost-cutting measures in 2020-21:

- The senior executives of Head Office took the initiative to give up the Variable Pay for 2019-20, which is about 8%-10% of the annual basic salary;
- Salary of all staff was frozen in 2020-21;
- Recruitment for most of the vacant positions was put on hold;
- Business trips and related expenses including transport, accommodations and telecommunications were reduced; the saved resources has been redeployed to improve IT equipment, enhance data and system security and other areas to increase HKTB's corporate efficiency in the long run.

HKTB always adopts a prudent approach in its resource deployment. HKTB had already fully returned the remainder of the additional funding in 2019-20 to the Government and will also do the same for the unused additional funding in 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)165

(Question Serial No. 0992)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget has earmarked \$55 million for the Tourism Commission to work with the Agriculture, Fisheries and Conservation Department to take forward the second phase of the enhancement programme for 10 popular hiking trails in country parks that have potential for tourism in the coming 5 years, with a view to enriching leisure experience of the public and visitors.

1. What are the 10 popular hiking trails and their number of visitors in the past 3 years?
2. What are the respective estimated expenditures of the 10 hiking trails to be enhanced in this phase?
3. Which hiking trails have had their enhancement works completed in the first phase? What were the expenditures? What facilities were provided to enrich leisure experience of the public and visitors?
4. Will local and overseas promotion be rolled out to enhance the appeal of these hiking trails?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 21)

Reply:

In order to promote green tourism, the Tourism Commission (TC), in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 for implementation of the "Enhancement of Hiking Trails - Phase I" to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor

information, etc. The first stage of improvement works covering MacLehose Trail Section 1 (Sai Kung East Country Park), Peak Trail (Pokfulam Country Park and Lung Fu Shan Country Park) and Double Haven Country Trail (Plover Cove Country Park) was completed while the second stage covering Dragon's Back (Shek O Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park) and Lantau Trail Section 2 (Lantau South Country Park) has been substantially completed. In the meantime, AFCD has commenced the third stage of improvement works which covers MacLehose Trail Section 4 (Ma On Shan Country Park), Wilson Trail Section 2 (Tai Tam Country Park and Tai Tam Country Park (Quarry Bay Extension)) and Kiu Tsui (Sharp Island) (Kiu Tsui Country Park) and expected to be completed in the fourth quarter of 2021 to tie in with the hiking season. The fourth stage of improvement works covering Lau Shui Heung (Pat Sin Leng Country Park) will commence in 2022. The overall improvement works of Phase I are expected to be completed in the fourth quarter of 2022.

In addition, TC, in collaboration with AFCD, will continue to take forward the "Enhancement of Hiking Trails - Phase II" from 2021-22 to 2025-26 to further enrich green tourism resources. Phase II of improvement works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park). The enhancement works are similar to those of Phase I. The total estimated expenditure is \$55 million.

Many hiking trails in country parks are connected to other roads or paths and do not have designated entry points. Visitors may enter or leave the trails in the midway. Hence, there is difficulty in quantifying the number of visitors to specific hiking trails.

Regarding the promotion work on hiking trails in Hong Kong, AFCD launched the enhanced "Enjoy Hiking" thematic website in December 2019 to provide detailed information on hiking trails and green attractions to enrich visitors' experience. The thematic website provides information on featured attractions in four languages including Chinese, English, Japanese and Korean, through which locals and tourists may learn about the characteristics of green attractions. As at end February 2021, there are more than 2.28 million pageviews at the enhanced thematic website

In addition, the Hong Kong Tourism Board (HKTb) has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform during autumn and winter each year since 2009, covering the Hong Kong UNESCO Global Geopark, country parks, biologically diverse marine ecosystem of marine parks, hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations. In 2020-21, HKTb collaborated with the National Geographic to create short films that featured National Geographic explorers sharing stories about Hong Kong's efforts and achievements in conservation and sustainability to promote the appeal of the city's natural environment. HKTb also launched the "360 Hong Kong Moments" campaign in October 2020. Using the 360-degree Virtual Reality panoramic technology,

the videos allow audiences to enjoy Hong Kong's natural wonders and outdoor camping, hiking, rock climbing, diving, cycling and canoeing experiences through realistic immersive journeys in the comfort of their own homes.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)166

(Question Serial No. 0993)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the consultancy study on smart tourism development, will the Government inform this Committee of the content and timetable for implementing relevant measures as recommended by the consultancy study?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 22)

Reply:

We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. Due to the impact of the pandemic, the study is anticipated to be completed within 2021-22. After completion of the study, we will consider the recommendations and devise relevant implementation details.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)167

(Question Serial No. 0994)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget earmarked \$765 million to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry. Due to the impact of the pandemic, the HKTB suspended most of its promotion events over the past year. In an audit report on the HKTB published last year, the Audit Commission pointed out the problems in the work of the HKTB. As the time for recovery of the tourism industry is indefinite, has the Government drawn up key performance indicators on the effectiveness of promotion projects?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 24)

Reply:

The Hong Kong Tourism Board (HKTB) always remains prudent in its deployment of resource. HKTB highly values the recommendations proposed in the Director of Audit's report, and has taken follow-up actions below:

- set up a taskforce, which is led by the Executive Director and comprising all division heads, to examine each of the recommendations of the Audit Commission and formulate an appropriate action plan for follow-up work; and
- completed follow-up actions on 15 out of the 38 recommendations in the Director of Audit's Report and targeted to complete the follow-up actions for the remaining recommendations by the end of the financial year 2021-22.

As for the additional funding of HK\$765 million announced in the Budget speech, HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local

tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

HKTB will continue to maintain a flexible approach and be prudent in its use of resources. Actual deployment of resources will be subject to factors such as the epidemic situation and progress towards the resumption of international travel, and will be evaluated and adjusted according to prevailing conditions where necessary. HKTB will also continue to designate various indicators based on the nature of its promotional work to assess the performances.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)168

(Question Serial No. 0995)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government rolled out the Green Lifestyle Local Tour Incentive Scheme and the Travel Agents Incentive Scheme in late 2019. Please provide the expenditures earmarked for the two respective Schemes. What are the actual amounts of subsidy awarded? Given the predicament the tourism industry is in, will the relevant Schemes be extended and the estimates be increased in the future?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 25)

Reply:

The Travel Agents Incentive Scheme (TAIS) was launched on 18 November 2019, with the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC) as the implementation agents. As at end February 2021, the approved applications involved a total of cash incentive of about \$60 million. The Green Lifestyle Local Tour Incentive Scheme (GLIS) was launched on 20 January 2020, with the TIC as the implementation agent. As at end February 2021, the approved applications involved a total of cash incentive of about \$4.7 million. The two incentive schemes were unable to fully perform due to the prevailing social distancing measures imposed by the Government.

To further enhance the support for the travel industry, the Government announced in early March 2021 that the application deadlines of the TAIS and the GLIS would be extended for one year to 31 March 2022. The funding commitment for the TAIS would also be increased by \$50 million to about \$150 million. The total funding commitment for the GLIS was doubled in June 2020 from \$50 million to \$100 million. We hope that upon stabilisation of the epidemic, tourism activities could be gradually resumed under stringent health precautionary measures for the public, and that the incentive schemes would benefit the trade more.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)169****(Question Serial No. 0996)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As stated in Matters Requiring Special Attention in 2021-2, the Bureau will continue to work with the Hong Kong Tourism Board, the tourism sector, relevant stakeholders and government departments in promoting tourism products in Hong Kong as enshrined in the Development Blueprint for Hong Kong's Tourism Industry. Since the promulgation of the Blueprint in 2017, which tourism infrastructures and products in the Blueprint have been launched? Which tourism products will be the focus of promotion efforts in future?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 26)

Reply:

According to the "Development Blueprint for Hong Kong's Tourism Industry" promulgated by the Government in October 2017, the Tourism Commission (TC) has been working with the travel industry and related organisations from 2018-19 to 2021-22 to develop tourism products, support attractions and trade development, promote smart tourism and strengthen professional services of relevant trades. The related major tourism products and initiatives (some of them are carried out across years) are as follows:

Initiatives in 2018-19

Tourism Products/Initiatives	Details and Latest Progress
(1) Convention under the dual themes of the Belt-and-Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)	<ul style="list-style-type: none"> The Government, the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC) jointly organised the Convention under the dual themes of the B&R Initiative and GBA on 12 December 2018 in Hong Kong Convention and Exhibition Centre. About 1000 participants attended the convention, including representatives of

Tourism Products/Initiatives	Details and Latest Progress
	<p>tourism authorities and trade members from Hong Kong, Macao, the Mainland provinces and cities, as well as 34 B&R related countries, for exchanges on international tourism co-operation.</p>
(2) Supporting TIC in arranging Hong Kong’s travel trade to visit GBA	<ul style="list-style-type: none"> • With the Government’s support, TIC arranged visits for Hong Kong’s travel trade to different cities of GBA to strengthen co-operation with the trade therein and explore related business opportunities. Since mid-2018 to early 2020, TIC organised four visits covering all GBA cities.
(3) Light installation project at the Central Harbourfront	<ul style="list-style-type: none"> • To enhance the tourism characteristics of Victoria Harbour and its promenade, the first-ever “International Light Art Display” was organised by HKTB and co-organised by TC from 29 November 2018 to 24 February 2019 featuring 25 overseas and local light art installations displayed at the Central and Western District Promenade (Central Section) and Tamar Park, to enhance the tourism appeal of the Victoria Harbour and the Promenade. The event attracted an attendance of over 1 million.
(4) Supporting attractions to enhance their competitiveness and conduct promotions in source markets	<ul style="list-style-type: none"> • The Government provided funding support to the Hong Kong Association of Amusement Parks and Attractions (“HKAAPA”) to support them in participating in four tourism expos organised in the Mainland in three years from 2018-19 to 2020-21 and enhancing HKAAPA’s website for connecting to the Government’s official travel landing page “Visit Hong Kong”.
(5) Supporting TIC in developing a web-based tourism resource platform about B&R related countries and regions and GBA cities	<ul style="list-style-type: none"> • TIC launched the platform in the fourth quarter of 2019, providing tourism information, travel products, details about travel service providers, etc. of B&R related countries and regions and GBA cities. In order to encourage the travel trade to develop more thematic tourism products and enhance the competitiveness of the travel industry, the Government will continue to support TIC in enhancing and promoting the platform. The Government is reviewing the implementation of the initiative with TIC.

Tourism Products/Initiatives	Details and Latest Progress
(6) “City in Time” - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • “City in Time” is a tourism project, under which TC is partnering with the School of Creative Media, City University of Hong Kong, to bring back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
(7) “Design District Hong Kong” (#ddHK) - New tourism projects with creative, artistic and cultural elements	<ul style="list-style-type: none"> • “#ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
(8) Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019. • The first event “Yim Tin Tsai Arts Festival 2019” and the second event “Yim Tin Tsai Arts Festival (Online Edition)” were held from 30 November to 29 December 2019 and 12 February to 11 March 2021 respectively. TC is working with the curatorial organisation to prepare for the implementation of the third event to be launched in the second quarter of 2021.

Tourism Products/Initiatives	Details and Latest Progress
(9) “Enhancement of Hiking Trails - Phase I”	<ul style="list-style-type: none"> • In order to promote green tourism, the Government has implemented from 2018-19 to 2022-23 the “Enhancement of Hiking Trails - Phase I” to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. The first stage of improvement works covering MacLehose Trail Section 1 (Sai Kung East Country Park), Peak Trail (Pokfulam Country Park and Lung Fu Shan Country Park) and Double Haven Country Trail (Plover Cove Country Park) was completed while the second stage covering Dragon’s Back (Shek O Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park) and Lantau Trail Section 2 (Lantau South Country Park) has been substantially completed. In the meantime, the Agriculture, Fisheries and Conservation Department (AFCD) has commenced the third stage of improvement works which cover MacLehose Trail Section 4 (Ma On Shan Country Park), Wilson Trail Section 2 (Tai Tam Country Park and Tai Tam Country Park (Quarry Bay Extension)) and Kiu Tsui (Sharp Island) (Kiu Tsui Country Park) and expected to be completed in the fourth quarter of 2021 to tie in with the hiking season. The fourth stage of improvement works covering Lau Shui Heung (Pat Sin Leng Country Park) will commence in 2022. The overall improvement works of Phase I are expected to be completed in the fourth quarter of 2022. • AFCD also launched the enhanced “Enjoy Hiking” thematic website in December 2019 to provide detailed information on hiking trails and green attractions to enrich visitors’ experience. As at end February 2021, there are more than 2.28 million pageviews at the enhanced thematic website.

Tourism Products/Initiatives	Details and Latest Progress
(10) Ocean Park’s education tourism projects and the new 3D projection-cum-water light show	<ul style="list-style-type: none"> • To enhance its attractiveness, Ocean Park is developing education tourism projects and staging a 3D projection-cum-water light show with local elements. • Ocean Park has already rolled out a night time multimedia light show. For the education tourism projects, the Ocean Park will use the funding from the Government to enhance the Park’s conservation education projects and create new education tourism projects, and establish a technology-driven and highly interactive STEAM education hub. The education tourism projects are expected to roll out progressively this year, while the STEAM Hub is expected to be completed by 2021.
(11) Launching a new smart travel landing page [This initiative commenced from 2018-19 and was extended to other boundary control points for two years to 2020-21]	<ul style="list-style-type: none"> • The official landing page “Visit Hong Kong” website (www.visithongkong.gov.hk) provides useful tourist information on items including terminal facilities, attractions and festivals, transportation and promotional offers. • Tourists arriving at Hong Kong International Airport, West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, and Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge can click on the link provided through the free Wi-Fi services to visit the landing page. This initiative was extended progressively to other boundary control points in the following two years. • Due to the impact of the epidemic, the number of tourists visiting Hong Kong has dropped significantly, and the number of viewers of “Visit Hong Kong” Landing Page website has also been affected. “Visit Hong Kong” was viewed by an average of around 1 700 people per month. The total number of viewing is about 112 000 (since the launch on 15 September 2018, till 28 February 2021).

Tourism Products/Initiatives	Details and Latest Progress
(12) Supporting TIC in continuing to implement and enhance the Pilot Information Technology Development Matching Fund Scheme for Travel Agents	<ul style="list-style-type: none"> TIC enhanced the scheme in July 2018 with the maximum number of projects to be funded for each travel agent increased from 1 project to 2 projects, one of which must be about adoption of the e-levy system and/or enhancement of the security of the IT system, so as to encourage more small and medium-sized travel agents to make use of information technology.

Initiatives in 2019-20

Tourism Products/Initiatives	Details and Latest Progress
(1) Upgrading of the facilities in the Hong Kong Wetland Park (HKWP)	<ul style="list-style-type: none"> AFCD has commenced a consultancy study in November 2019 to review the exhibition and visitor facilities of HKWP and for drawing up an implementation plan as well as the budget based on the preliminary findings of the study. TC and AFCD will seek the necessary funding from the Legislative Council to enhance the facilities of HKWP.
(2) Development of a hiking hub in Lantau	<ul style="list-style-type: none"> The Government is improving the facilities of the Ngong Ping Nature Centre to provide visitors with more comprehensive information on the nearby hiking trails. The renovated centre, which will enhance the provision of hiking information with interactive elements and guided tour services, is expected to be reopened in 2021. The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving some sections of the Nei Lak Shan Country Trail and Lantau Trail, enhancing visitor signage, as well as expanding and constructing viewing platforms. The enhancement of visitor signage and part of the improvement works on hiking trail sections have already been completed in 2019 and 2020, while the remaining works are expected to be completed by phases from 2021 to 2022.

Tourism Products/Initiatives	Details and Latest Progress
(3) Conducting a consultancy study for promoting smart tourism	<ul style="list-style-type: none"> We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. Due to the impact of the epidemic, the study is anticipated to be completed within 2021-22. After completion of the study, we will consider the recommendations and devise relevant implementation details.

Initiatives in 2020-21

Tourism Products/Initiatives	Details and Latest Progress
(1) Supporting TIC in strengthening the training for the travel trade such as development of e-learning	<ul style="list-style-type: none"> In view of the prolonged epidemic of COVID-19, the Government is reviewing the implementation of the initiative with TIC.
(2) Upgrading the facilities of the Wong Nai Chung Gap Trail (WNCGT)	<ul style="list-style-type: none"> TC, in collaboration with the Architectural Services Department (ArchSD) and other relevant departments, has worked out the proposal for upgrading the facilities of WNCGT, mainly including improvement works of tourism supporting facilities, repair works of damaged paths, etc. ArchSD has appointed a consultant in October 2020 to carry out the preparatory work for the commencement of construction, including design proposal for tourism supporting facilities and details of tender exercise of the works. It is expected that the construction works will commence in the fourth quarter of 2021 for completion in the second quarter of 2022.
(3) Planning study of developing Pak Tam Chung into a green tourism hub	<ul style="list-style-type: none"> AFCD has engaged a consultant to conduct a planning study in April 2020 on the proposed service requirements and improvement measures in developing Pak Tam Chung into a green tourism hub. The planning study is expected to be completed by May 2021. AFCD will draw up an implementation plan and budget according to the findings of the study.

Initiatives from 2021-22 onwards

Tourism Products/Initiatives	Details and Latest Progress
(1) “City in Time” - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. • “City in Time” is a tourism project, under which TC is partnering with the School of Creative Media, City University of Hong Kong, to take forward the project by using augmented reality and creative multimedia technology through mobile application to bring back to life the history of individual landmarks of Hong Kong, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.
(2) “#ddHK” - New tourism projects with creative, artistic and cultural elements	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “#ddHK” is a three-year creative tourism project jointly launched by TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation in 2018, which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.

Tourism Products/Initiatives	Details and Latest Progress
(3) “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
(4) “Enhancement of Hiking Trails - Phase II”	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the AFCD, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)170****(Question Serial No. 0997)**

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the 2020-21 Budget, an additional amount of over \$700 million will be allocated for the Hong Kong Tourism Board (HKTB) to step up promotion and revive the local tourism industry when the epidemic is over. However, as the COVID-19 epidemic prolongs, cross-border tourism has come to a halt in all countries around the world, and many of the HKTB's publicity and promotion campaigns could not be held as scheduled last year. The revised provision for 2020-21 stands at \$1.498 billion, only \$4 million (or 0.3%) lower than the original estimate of \$1.502 billion. Please set out by event the original and actual expenditures of all HKTB's publicity and promotion campaigns for 2020-21, and the events that could not be held as scheduled.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 27)

Reply:

The Hong Kong Tourism Board (HKTB)'s marketing budget in 2020-21 was \$1.12 billion. Details are as follows:

Work	Amount (\$ million)
Review Hong Kong's tourism brand and rebuild the city's tourism image	397
Enhance support and collaboration with the travel trade	193
Secure MICE and cruise business	227
Leverage mega events to convey a positive message	303
Total	1,120

However, due to the impact of the COVID-19 epidemic, some of the work could not be rolled out as scheduled, including promotion for MICE and cruise tourism, cooperation projects with the travel trade, large-scale promotion activities in the source market, etc. Nevertheless, HKTB has adjusted its strategy in response to the situation. As visitors are unable to visit Hong Kong, HKTB first focused on rebuilding local ambience while maintaining the city's international exposure, and maintaining communication with the trade to drive a rapid recovery for the local tourism industry when the epidemic subsides. Therefore, the actual expenditure is difficult to compare directly with the original budget. The total promotion expenditure for 2020-21 is about \$400 million.

HKTB's latest estimate for 2020-21 for marketing is as follows:

Work	Amount (\$ million)
Promotion for "Holiday at Home" for driving local ambience, including launching "Spend-to-Redeem Free Tour" programme and "Staycation Delights" campaign to support the trade)	85.5
Maintaining the city's international exposure, including promotion in source markets and 360 Hong Kong Moments	87.3
Preparation for re-opening, including to support the trade in participating the Anti-Epidemic Hygiene Measures Certification Scheme, and produce TV programme about Hong Kong Travel for broadcasting at a later stage	86.2
On-going work	
- To organise and promote mega events; and	90.7
- To support travel trade's promotion and maintain communication and cooperation with the travel trade and MICE sector in source markets	53.1
Total	402.8

It is expected there will be an unused funding of over \$700 million. HKTB will fully return it to the Government.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)171

(Question Serial No. 0998)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Hong Kong Tourism Board Annual Reports, its total headcount remained at 377, of whom 131 were stationed outside Hong Kong for the 2017-18, 2018-19 and 2019-20 financial years. The respective numbers have gone up to 379 and 134 for the 2020-21 financial year. Please advise on the reasons for its headcount increase, and the details of the posts created, their functions and emoluments.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 28)

Reply:

The number of Hong Kong Tourism Board (HKTB)'s staff establishment in 2017-18 and 2018-19 were maintained at 377, of which 131 establishment were stationed outside Hong Kong. In 2019-20, the number of staff establishment was increased to 379, of which 134 establishment were stationed outside Hong Kong. The net increase in overall establishment was due to addition of 2 positions for promotion of the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt-and-Road initiatives. These 2 positions include 1 manager grade position in the Head Office and 1 assistant manager grade position stationed in Worldwide Office outside Hong Kong. The 2 positions are yet to be filled, and therefore HKTB has not incurred any additional emolument expenditure. The increase of staff stationed outside Hong Kong arose from internal redeployment from Head Office.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)172

(Question Serial No. 0999)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Hong Kong Tourism Board Annual Report, expenditure on staff costs in 2019–2020 was \$291 million, representing an increase of 4.47% over the \$278 million in 2018–2019. In particular, the pay and allowances of senior executives have risen by 8.49% from \$38.76 million to \$42.05 million. Please advise on the reasons for the increase in staff costs as well as the pay and allowances of senior executives, including the details of the new posts that have led to such increase.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 29)

Reply:

Changes of staff costs of the Hong Kong Tourism Board (HKTB) are subject to various factors, including staff turnover and filling of vacancies, staff salary adjustment based on performance review of the previous year, currency exchange rate of the Hong Kong dollar and other factors, etc.

The increase in basic salaries and allowances of senior executives of HKTB in 2019-20 was mainly due to the filling of a vacant position of Regional Director of Mainland in the year and adjustment of staff salary.

Having regard to the impact of the epidemic, the Senior Executives of HKTB's Head Office took the initiative to give up the Variable Pay of 2019-20. Also, salary of all staff of HKTB has been frozen in 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)173

(Question Serial No. 1005)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Budget Speech, the Financial Secretary “will earmark a total of \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time. We will continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors.”

Please list the specific uses of the \$169 million provision, the policy bureaux to be allocated with the provision and the expenditure breakdowns.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 38)

Reply:

The Government will allocate \$169 million to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects and continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include:

Initiatives	Details and Latest Progress
(1) “City in Time” - Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> <li data-bbox="576 1787 1449 1951">• The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. <li data-bbox="576 1989 1449 2101">• “City in Time” is a tourism project, under which TC partners with the School of Creative Media, City University of Hong Kong, to bring back to life the

Initiatives	Details and Latest Progress
	<p>history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021.</p>
<p>(2) “Design District Hong Kong” (#ddHK) – New tourism projects with creative, artistic and cultural elements</p>	<ul style="list-style-type: none"> • The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of “#ddHK” for three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. • “#ddHK” is a three-year creative tourism project which TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation have been in collaboration since 2018 and comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities were rolled out under the project, including display of more than 50 pieces of design art works at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po so as to enrich the creative atmosphere, activate the public space and showcase local cultural lives.
<p>(3) “Yim Tin Tsai Arts Festival”</p>	<ul style="list-style-type: none"> • The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, which will progressively radiate to the neighbouring islands. TC will conduct tendering exercise to identify a suitable curatorial organisation for implementing the event. • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019.
<p>(4) Enhancement of Hiking Trails - Phase II</p>	<ul style="list-style-type: none"> • The Government will allocate \$55 million to TC, in collaboration with the Agriculture, Fisheries and Conservation Department, for taking forward the “Enhancement of Hiking Trails - Phase II” from 2021-22 to 2025-26 to further enrich green tourism resources. The enhancement works include

Initiatives	Details and Latest Progress
	<p>improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).</p>

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)174

(Question Serial No. 3121)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned that the work of the Commerce, Industry and Tourism Branch in 2020-21 included supporting the Travel Industry Authority (TIA) to embark on formulating the new regulatory regime in aid of tourism for the travel industry. Please inform this Committee of the following:

1. What is the current progress of the TIA's preparation work? Has the work been affected by the pandemic? What is the timetable for bringing the new regulatory regime into force?
2. What is the expenditure involved over the past year?
3. As the time for recovery of the tourism industry is indefinite, the future finance of the TIA will be affected. Has the Government reviewed the expenditure and income of the TIA for the next 5 years and whether fiscal imbalance will have influence on the committed freeze on fees and charges for the industry?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 18)

Reply:

The Government is committed to supporting the Travel Industry Authority (TIA) in preparing for the formulation of a new regulatory regime for the travel industry, including preliminary administrative work such as staff recruitment and office leasing matters, drafting subsidiary legislation, formulating licensing frameworks, directives, guidelines and codes of conduct, etc. Although the preparatory work has inevitably been affected by the epidemic, we still expect to complete all the preparatory work and implement the new regulatory regime in about two years after the establishment of TIA, i.e., in early 2022, as scheduled.

The expenditure involved in 2020-21 is estimated to be about \$12.5 million.

To support the initial operation of TIA, the Government has allocated in end February 2020 \$350 million as seed money for TIA. TIA will closely monitor its financial situation, with a view to coping with its daily operation and achieving self-financing in the long run whilst at the same time, taking into account the affordability of the trade. TIA has set up a standing committee to advise it on issues relating to financial management (including investment). If TIA seeks additional funding from the Government to meet its needs, the Government will consider such request in accordance with the established procedures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)175

(Question Serial No. 3122)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has earmarked \$765 million for the Hong Kong Tourism Board (HKTB) to support its work in reviving the tourism industry. As there is a long way to go before the industry recovers, the overwhelming majority of travel agents in the Hong Kong tourism trade have had no revenue for a long time. Will the Government ask the HKTB to allocate more funding to support Hong Kong's tourism trade when the latter are formulating measures to revive the tourism industry, or even consider using unspent expenditure to provide direct support to businesses and practitioners of the local tourism industry?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 19)

Reply:

As the COVID-19 epidemic has come under control gradually, it is anticipated that cross-boundary travel will gradually resume. Hence, the Government sees a need to support the Hong Kong Tourism Board (HKTB)'s work in stepping up efforts in launching various campaigns to promote Hong Kong. This enables Hong Kong to stand out from its rivals and remain competitive, with a view to revive business from source markets as soon as possible and attract visitors to return to Hong Kong, thereby reviving Hong Kong's tourism industry.

HKTB has formulated short and medium-to-long-term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong's ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

HKTB plans to deploy the additional funding in the following three areas:

Short-term strategies

- Cheerleading and boosting domestic consumption (including “Holiday at Home”)
- Leveraging various promotional campaigns to maintain Hong Kong’s international exposure
- Large-scale promotions to attract visitors when travel gradually resumes
- Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors

Medium-to-long term strategies

- Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel resumes
- Partnering with other cities in the GBA for global promotions to build the GBA tourism brand
- Creating a smart travel experience for visitor through a one-stop e-solution

Ongoing initiatives

- Enhancing subsidy schemes and sponsoring trade’s participation in trade events to expedite business recovery
- Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually
- Organising mega events and supporting other events in town to maintain Hong Kong’s international exposure

Trade support-related works are already included as part of the short and medium-to-long-term strategies and will benefit the tourism industry.

HKTB will evaluate and adjust the deployment of resources according to prevailing conditions such as the epidemic situation and progress of the resumption of international travel, and will continue to maintain flexibility and adopt a prudent approach under the principle of “spend as necessary” in its resource deployment. Unused additional funding will be fully returned to the Government.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)176

(Question Serial No. 3123)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned that the work of the Commerce, Industry and Tourism Branch in 2020-21 included initiating co-ordination with government departments and relevant bodies on policy and projects/initiatives to promote tourism development. Projects included “Yim Tin Tsai Arts Festival”, a new pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai; “City in Time”, a new tourism project making use of augmented reality and multimedia creative technology; as well as the “Lei Yue Mun Waterfront Enhancement Project”.

1. What are the respective estimated expenditures of the above projects?
2. What are the plans to promote the above projects in collaboration with local travel agencies with a view to assisting the recovery of the tourism industry in Hong Kong?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 20)

Reply:

The details and estimated expenditures of “Yim Tin Tsai Arts Festival”, “City in Time” and “Lei Yue Mun Waterfront Enhancement Project” are as follows:

Project	Details and Estimated Expenditures
(1) “Yim Tin Tsai Arts Festival”	<ul style="list-style-type: none"> • “Yim Tin Tsai Arts Festival” is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by the Tourism Commission (TC) since 2019. TC awarded a three-year contract at a price of \$20 million to a suitable curatorial organisation through open tender in early 2019. The actual total expenses incurred will be confirmed upon the completion of the three-year project.
(2) “City in Time”	<ul style="list-style-type: none"> • “City in Time” is a tourism project, under which TC partners with the School of Creative Media, City University of Hong Kong, to bring back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application, and to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project will be launched in the Central, Tsim Sha Tsui, Jordan, Yau Ma Tei, Sham Shui Po and the Peak areas before the end of the second quarter of 2021. The total estimated expenditure of the project is about \$21 million.
(3) “Lei Yue Mun (LYM) Waterfront Enhancement Project”	<ul style="list-style-type: none"> • “LYM Waterfront Enhancement Project” will improve the facilities along LYM waterfront and enhance its connectivity with a view to further enhancing the attractiveness of LYM as a popular tourist attraction. The works under the Project include the construction of a public landing facility, and the development of a waterfront promenade and related improvement works. The estimated cost for the works concerned is \$268.1 million in money-of-the-day prices.

Through website, social platforms, visitor centres and other channels, the Hong Kong Tourism Board (HKTB) has promoted “Yim Tin Tsai Arts Festival” to encourage local and overseas visitors to appreciate the festival’s artworks and Yim Tin Tsai’s characteristics. HKTB will also map out respective promotional strategies, taking into account the situations in Hong Kong and source markets, for promoting “City in Time” and “LYM Waterfront Enhancement Project” to local and overseas visitors in due course. Besides, HKTB is planning to produce a promotional video about “City in Time”.

HKTB will continue to maintain close ties with the travel trade through different platforms to provide them with the latest travel information and to promote Hong Kong’s new attractions and experiences. In addition, HKTB also provides subsidies to trade partners or assists them in promotion under the “Explore Hong Kong Tours” scheme, with a view to encouraging the travel trade to develop and launch more new travel products.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)177

(Question Serial No. 3124)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the Travel Industry Authority is not yet officially in operation, the Travel Industry Council (TIC) still takes up the role of regulating travel agents, tour guides and tour escorts. Under the circumstances that TIC is in financial difficulties and its income has been frozen, the Government has the responsibility to support TIC to continue undertaking the regulatory work. What specific supportive measures does the Government have to help TIC tide over this difficult period?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 23)

Reply:

Under the existing regulatory regime, the Travel Industry Council of Hong Kong (TIC) as a self-regulatory and self-financing body would cater for its operating costs from its sources of income including outbound levy, Mainland inbound tour registration fee, membership fee, reserves, etc. The travel industry and the TIC's income have been severely affected by the social incidents in the second half of 2019 and the persistence of COVID-19 epidemic for more than a year. The Government understands that the TIC has been closely monitoring its financial position, and has taken measures to mitigate the situation.

The Government also launched several rounds of relief measures through the Anti-epidemic Fund (AEF) and the Budget in 2020-21 and 2021-22 to support enterprises. The TIC has also benefitted from the Employment Support Scheme of AEF and the relevant measures for enterprises under the Budgets.

Besides, we have created time-limited jobs for the TIC under the Government's Job Creation Scheme, providing additional manpower to support its daily operation including work on trade regulation, so as to facilitate the smooth transition to the new regulatory regime.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)178****(Question Serial No. 3125)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 2020-2021 Budget proposed that a Special 100% Loan Guarantee would be introduced under the SME Financing Guarantee Scheme to alleviate the burden of paying employee wages and rents by enterprises which suffered from reduced income, thereby reducing business closures and layoffs. Please provide the number of applicants and the average loan amount by sector. How will the Government further improve the scheme to support small and medium enterprises in the coming year?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 33)

Reply:

As at end February 2021, the number of applications approved and average loan amount of approved cases for beneficiary sectors of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme are as follows:

Beneficiary Sectors	Number of Applications Approved	Average Loan Amount of Approved Cases (\$)
Trading, Wholesale and Retail	10 486	1.42 million
Engineering and Construction	2 268	2.06 million
Manufacturing	2 005	1.65 million
Tourism/travel agent	354	1.10 million
Hotel/hospitality service	121	1.95 million
Others	13 245	1.65 million

As the epidemic has been lingering on for over one year, to continue to relieve the cash flow pressure of small and medium enterprises (SMEs), the Financial Secretary announced in the

2021-22 Budget the extension of the application period of the Special 100% Guarantee Product to 31 December 2021; and further increase in the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months; with the ceiling increasing from \$5 million to \$6 million. In addition, having considered the repayment pressure faced by SMEs, the maximum repayment period would be extended from five years to eight years; while the maximum duration of principal moratorium would be extended from 12 months to 18 months, thereby relieving the burden on SMEs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)179

(Question Serial No. 3091)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary stated in his Budget that he will earmark \$765 million to support the Hong Kong Tourism Board in reviving the tourism industry. However, given that it is unfeasible to resume cross-boundary travel, can the Government inform this Committee the expected return on the large amount of resources to be allocated?

Asked by: Hon YUNG Hoi-yan (LegCo internal reference no.: 44)

Reply:

As the epidemic situation has come under control gradually, it is anticipated that cross-boundary travel will gradually resume. Hence, the Government sees a need to support the Hong Kong Tourism Board's (HKTB) work in stepping up promotions about Hong Kong and enable HKTB to launch various promotional campaigns to recover visitor sources as soon as possible and attract visitors to return to Hong Kong, recovering Hong Kong's tourism industry.

HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting Hong Kong ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

According to HKTB's work plan, the additional funding will be deployed in the following three areas:

Strategic focuses	Additional funding from the Budget (HK\$ million) (Percentage of overall budget)
<u>Short-term strategies</u> <ul style="list-style-type: none"> • Cheerleading and boosting domestic consumption (including "Holiday at Home") • Leveraging various promotional campaigns to maintain Hong Kong's international exposure • Large-scale promotions to attract visitors when travel gradually resumes • Revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) markets, to attract leisure visitors 	248 (32%)
<u>Medium-to-long term strategies</u> <ul style="list-style-type: none"> • Holistic review of Hong Kong's tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong's tourism image when travel gradually resumes • Partnering with other cities in the GBA for global promotions to build the GBA tourism brand • Creating a smart travel experience for visitors through a one-stop e-solution 	333 (44%)
<u>Ongoing initiatives</u> <ul style="list-style-type: none"> • Enhancing subsidy schemes and sponsoring trade's participation in trade events to expedite business recovery* • Strengthening support to Meetings, Incentive Travels, Conventions and Exhibitions and Cruise tourism as well as their promotion, bidding more international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually • Organising mega events and supporting other events in town to maintain Hong Kong's international exposure 	184 (24%)
Total	765

* Related work are also included as parts of the short and medium-to-long-term strategies

The above resource deployment plan is based on preliminary estimation of the pace of tourism recovery. Actual deployment of resources will be subject to factors such as the epidemic situation and progress of the resumption of international travel, and will be adjusted appropriately as necessary.

HKTB will continue to maintain flexibility and adopt a prudent approach under the principle of “spend as necessary” in its resource deployment. Unused additional funding will be fully returned to the Government. HKTB will also continue to designate various indicators based on the nature of its promotional work to assess the performances.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)180

(Question Serial No. 1366)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The total estimate of the overseas Economic and Trade Offices (ETOs) for 2021-22 is \$250.6 million higher than that for 2020-21, representing an increase of 72.9%. As stated in the analysis on page 520 of the Controlling Officer's Report, this is mainly due to the increased provision and related expenses for the new ETOs planned to be set up. Please advise this Committee of the time and locations of ETOs to be set up as well as the estimated number of additional staff to be recruited.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.:2)

Reply:

To strengthen Hong Kong's economic and trade relations with other places, the HKSAR Government has been actively expanding the network of overseas Hong Kong Economic and Trade Offices (ETO) to enhance external promotion and exchanges, seeking new business opportunities for Hong Kong. Our discussions with the United Arab Emirates government on the establishment of the Dubai ETO have been successfully concluded, and we are now actively pursuing the preparatory work in setting up the ETO, which is expected to start discharging its duties before the end of this year. The Dubai ETO will comprise 5 Hong Kong-based officers and 12 locally-engaged staff, which is similar to those of the other ETOs.

As for the proposals to set up ETOs in Moscow, Mumbai, and Seoul, we have been maintaining close liaison with the relevant governments through various channels, including the local departments concerned as well as the Consuls-General in Hong Kong. In general, the establishment of new ETOs involves a host of considerations and detailed arrangements, including matters related to privileges and immunities. We will continue to closely liaise with relevant governments to follow up on the proposals.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)181

(Question Serial No. 1640)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please set out the manpower resources, expenditures involved and the types and numbers of projects of the relevant work on fostering commercial relations carried out by each overseas Economic and Trade Office (ETO) in each of the past 5 years.
2. Please advise on the number of meetings between the 2 ETOs in Washington, D C and New York in the United States (U.S.) and the U.S. government officials and people, such as members of the U.S. Senate and members of the U.S. House of Representatives, on issues of economic and trade relations between Hong Kong and the U.S. in each of the past 10 years, the manpower and public money involved.
3. What is the expected situation as mentioned in (2) for this year?
4. Please provide in table form the specific direction of work, plans and projects, and amount of resources involved of each overseas ETO concerned for countering protectionism in Hong Kong's major markets, as well as on issues of special interests on the bilateral, plurilateral and multilateral fronts for this year.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 19)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETO) strive to enhance Hong Kong's bilateral economic and trade relations with our trading partners, and to strengthen the relations and liaison with overseas governments and business communities through various channels such as meetings with various overseas stakeholders, holding conferences, giving public speeches, issuing press releases, etc., promoting Hong Kong and furthering Hong Kong's economic and trade interests.

The numbers of the relevant activities carried out by the ETOs under Programme (1) in the past five years are as follows:

ETO	2016						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	380	110	37	95	52	66	206
Brussels	313	155	48	72	45	71	48
Geneva*	984	-	-	28	-	-	-
Jakarta#	20	15	2	10	3	3	5
London	363	258	27	60	75	72	200
New York	225	56	31	148	39	72	23
San Francisco	188	100	38	68	37	27	35
Singapore	200	180	18	78	29	54	125
Sydney	108	171	30	96	47	29	133
Tokyo	133	101	10	60	20	59	40
Toronto	188	114	32	35	78	134	105
Washington	310	160	20	139	24	90	60

ETO	2017						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	442	110	43	94	55	83	215
Brussels	323	158	51	70	50	75	51
Geneva*	825	-	-	32	-	1	-
Jakarta#	40	40	6	30	15	3	10
London	370	270	45	60	80	75	210
New York	214	48	37	136	53	75	235
San Francisco	179	79	29	71	36	26	35
Singapore	215	195	23	75	29	54	127
Sydney	128	149	21	78	52	22	162
Tokyo	131	105	12	62	24	67	64
Toronto	190	115	31	34	75	128	100
Washington	315	165	20	140	25	92	60

ETO	2018						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	438	115	45	98	55	85	211
Brussels	328	162	49	68	53	73	50
Geneva*	636	-	-	62	-	-	-
Jakarta#	65	60	8	35	16	3	12
London	355	258	40	60	80	75	210
New York	211	50	37	131	55	73	401
San Francisco	178	80	29	69	37	25	36
Singapore	217	196	23	76	29	52	121
Sydney	138	151	20	98	57	31	175
Tokyo	130	115	25	47	22	85	61
Toronto	191	117	30	33	72	122	96
Washington	335	170	20	145	26	95	62

ETO	2019						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Bangkok^	70	25	10	14	18	3	7
Berlin	421	111	44	96	54	46	205
Brussels	326	159	45	70	55	74	52
Geneva*	922	-	-	50	-	-	-
Jakarta#	86	78	12	45	22	6	15
London	340	250	39	58	77	73	203
New York	230	60	40	130	54	74	662
San Francisco	185	92	32	73	43	26	36
Singapore	210	190	22	73	28	50	117
Sydney	137	122	26	98	61	35	177
Tokyo	136	120	14	45	21	64	70
Toronto	195	120	30	34	73	124	98
Washington	360	222	20	138	25	91	60

ETO	2020 [@]						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Bangkok [^]	47	19	2	13	12	1	90
Berlin	185	36	19	73	23	39	127
Brussels	245	83	15	79	32	77	16
Geneva [*]	538	-	-	53	-	-	-
Jakarta [#]	46	46	7	24	14	4	16
London	56	6	8	30	11	14	320
New York	220	59	38	125	30	25	487
San Francisco	189	90	30	114	43	25	36
Singapore	137	49	18	30	9	10	255
Sydney	27	19	11	101	10	7	279
Tokyo	123	5	15	105	24	15	39
Toronto	137	82	24	38	29	65	126
Washington	349	172	20	142	24	92	61

* The Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters. Therefore, it mainly attends meetings on trade-related matters and participates in seminars, exhibitions and workshops under Programme (1).

The Jakarta ETO commenced operation on 13 June 2016.

[^] The Bangkok ETO commenced operation on 28 February 2019.

[@] The 2020 figures also cover events in virtual form. The 2020 figures dropped due to much reduced levels of activities of the ETOs amidst the COVID-19 pandemic.

The numbers of visits to host governments (including congressmen) and trade organisations by the Washington and New York ETOs under Programme (1) in the past 10 years are as follows:

Year	Numbers of visits to host governments and trade organisations	
	Washington ETO	New York ETO
2011	240	52
2012	235	67
2013	205	64
2014	175	62
2015	167	119
2016	160	56
2017	165	48
2018	170	50
2019	222	60
2020 [@]	172	59

[@] The 2020 figures also cover events in virtual form. The 2020 figures dropped due to reduced levels of activities of the ETOs amidst the COVID-19 pandemic.

On plurilateral and multilateral fronts, the ETOs maintained close communications with our trading partners to strengthen exchanges and further Hong Kong's economic and trade interests. In particular, with regards to Hong Kong's efforts in seeking accession to the Regional Comprehensive Economic Partnership (RCEP), the relevant ETOs have been actively liaising with individual member economies closely and meeting with the relevant departments since RCEP was signed in November last year, proposing early commencement of discussions with a view to enabling Hong Kong to join RCEP as soon as possible after its entry into force.

On bilateral fronts, regarding the repeated protectionist measures of the US targeted at Hong Kong, the ETOs in the US have been meeting with the government and business communities in the US, including the Office of the US Trade Representative, government leaders and representatives of commerce departments in various states and cities, as well as trade associations and business leaders with close economic and trade relations with Hong Kong. The ETOs explained Hong Kong's position and measures taken so as to clear the concerns of the local business community about the impact of the protectionist measures on Hong Kong's business environment and minimise the negative impact of US protectionism targeted at Hong Kong on Hong Kong-US bilateral relations. The US ETOs also emphasised the strong and deep trade and commercial relations between Hong Kong and the US which are mutually beneficial. In addition, the Geneva ETO, as Hong Kong's representative in the World Trade Organization (WTO), voiced objection to the US' protectionist measures through participating in WTO affairs. Examples of relevant work are as follows:

ETOs	Date	Details
Geneva ETO	From October 2020 to February 2021	The Geneva ETO voiced objection to the imposition of the revised origin marking requirement on Hong Kong products by the US at the meetings of the WTO General Council, Committee on Trade Facilitation, Committee on Technical Barriers to Trade, Committee on Rules of Origin and Council on Trade in Goods; and conducted consultation with the US on the revised origin marking requirement in accordance with the WTO's dispute settlement mechanism, and requested the WTO Dispute Settlement Body to establish a panel to examine the trade dispute resulting from the US' imposition of the revised origin marking requirement.
	January 2021	The Geneva ETO notified the WTO of Hong Kong, China's objection to the modification proposed by the US on 27 November 2020 to its commitments under the Agreement on Government Procurement of the WTO, and requested the US to provide more comprehensive information to facilitate assessment by parties to the Agreement of the likely consequences of the modification.
Washington ETO	October 2020	The Washington ETO followed up on the US' revised origin marking requirement on Hong Kong products, and raised objection to the US side and requested withdrawal of the revised requirement.

Against the background of rising trade protectionism, the ETOs will continue to strengthen the bilateral economic and trade ties with various trading partners and closely monitor developments that may affect Hong Kong, with a view to furthering and protecting Hong Kong's bilateral, plurilateral, and multilateral economic and trade interests. The ETOs will continue with their engagement work through different channels to provide various overseas interlocutors with the latest information on Hong Kong and promote Hong Kong developments on multiple fronts. As the above work is a part of the overall commercial relations work of the ETOs, it is difficult to quantify the expenditures and manpower involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)182

(Question Serial No. 1661)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Dubai Economic and Trade Office (ETO) set up by the Government in the United Arab Emirates, our first ETO in the Middle East region, is expected to commence operation in 2021. Please advise this Committee:

1. of the manpower of the ETO and the resources involved in each year; whether its level of manpower and resources is comparable to those of other ETOs;
2. of the countries whose markets it is mainly responsible for or whether it is responsible for markets in the entire Middle East region;
3. of the expected time of its official opening; and
4. whether the Government has plans to set up additional ETOs in other target cities in the Middle East region.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 49)

Reply:

To strengthen Hong Kong's economic and trade relations with other places, the HKSAR Government has been actively expanding the network of overseas Hong Kong Economic and Trade Offices (ETO) to enhance external promotion and exchanges, seeking new business opportunities for Hong Kong. Our discussions with the United Arab Emirates (UAE) government on the establishment of the Dubai ETO have been successfully concluded, and we are now actively pursuing the preparatory work in setting up the ETO, which is expected to start discharging its duties before the end of this year. The Dubai ETO is our first ETO in the Middle East region, covering bilateral economic and trade relations with the member states of the Cooperation Council for the Arab States of the Gulf, i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE, strengthening the economic

and trade ties between Hong Kong and trading partners in the region and exploring new business opportunities. The Dubai ETO covers Hong Kong's major trading partners in the region, and the HKSAR Government currently does not plan to set up additional ETOs in other Middle East cities.

The Dubai ETO will comprise 5 Hong Kong-based officers and 12 locally-engaged staff. The total operational expenses are estimated to be \$29.6 million per year. Both the manpower and resources to be required by the Dubai ETO are similar to those of the other ETOs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)183

(Question Serial No. 1102)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (3) Investment Promotion

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that, in close collaboration with Invest Hong Kong, the overseas Economic and Trade Offices (ETOs) promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance and support to overseas companies to establish or expand operations in Hong Kong. The overseas ETOs will also step up their efforts in attracting these companies to access opportunities in the Mainland and elsewhere in Asia. Please inform this Committee of the effectiveness of the relevant work in the past year. How many companies were offered assistance in establishing or expanding operations in Hong Kong and what was the expenditure involved? In 2021-22 and amid the pandemic, how will the overseas ETOs promote the attractiveness of Hong Kong as an international financial and business centre and step up their efforts in assisting overseas companies in establishing and expanding operations in Hong Kong? What are the specific plans for the work, and the estimated expenditure and manpower involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 34)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) and Invest Hong Kong (InvestHK) work in very close partnership. InvestHK has organised through Investment Promotion Units (IPUs) of the ETOs various events to promote the business advantages of Hong Kong and its role as a hub under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development so as to encourage overseas companies to set up or expand their businesses in Hong Kong, as well as to use Hong Kong as a platform to access opportunities in the Mainland and elsewhere in Asia. These investment promotion efforts are effective in enhancing the understanding of overseas companies about Hong Kong's investment environment and the advantages of investing in Hong Kong. In 2020, the number of projects completed with the support of IPUs of the ETOs was 135, accounting for 43% of InvestHK's total completed projects in the year. In

2020-21, the revised estimate for Programme (3) Investment Promotion under Head 96 is \$56 million, including personal emoluments and general operating expenses.

The ETOs and InvestHK will continue to collaborate closely in organising marketing campaigns and seminars as well as conducting investment promotion visits to various overseas markets to promote the advantages of Hong Kong as an international financial and commercial centre. InvestHK will also continue to provide assistance and support to overseas companies interested to establish or expand their operations in Hong Kong. In 2021-22, the estimate for Programme (3) under Head 96 is \$98.3 million. As at 31 March 2022, the estimated staff establishment under Programme (3) will be 35.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)184

(Question Serial No. 1103)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that, during 2020-21, the overseas Economic and Trade Offices (ETOs) continued to step up publicity and public relations efforts and launch promotional campaigns to enhance Hong Kong's international image in the member states of the Association of Southeast Asian Nations, Australia, Europe, Japan, Korea, New Zealand, North America, the Middle East (when the Dubai ETO is set up), etc., as well as strengthened collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity. Please inform this Committee of the effectiveness of the relevant work in 2020-21. What was the expenditure involved? Amid the pandemic, what are the specific work plans and strategies for publicity to be implemented in the new 2021-22? What is the estimated expenditure to be incurred?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 35)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the "new normal", the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong's developments, and strengthen the promotion on the successful implementation of "One Country, Two Systems" and Hong Kong's advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas

stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

When the pandemic stabilises, the ETOs, ISD, Invest Hong Kong, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong. As the relevant work is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau as well as the ETOs, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)185

(Question Serial No. 1123)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the work of the overseas Economic and Trade Offices (ETOs) includes monitoring and reporting on reactions to events in Hong Kong, updating overseas interlocutors on developments in Hong Kong, organising publicity and public relations activities for Hong Kong in the host countries or regions under their purview, liaising with Hong Kong enterprises and people, and providing a comprehensive information and enquiry service about Hong Kong. Please advise this Committee of the effectiveness of such work in the past year. What was the expenditure involved? What is the expenditure to be incurred for the coming year? Are there any specific work plans? How do the ETOs promote and update overseas interlocutors on developments in Hong Kong, especially in the area of maintaining Hong Kong's economic and trade position?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 52)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the "new normal", the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong's developments, and strengthen the promotion on the successful implementation of "One Country, Two Systems" and Hong Kong's advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong

Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

When the pandemic stabilises, the ETOs, ISD, Invest Hong Kong, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong. As the relevant work is

implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau as well as the ETOs, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)186

(Question Serial No. 2504)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations, (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of the respective staff establishment, expenditure on salary by rank and total expenditure of the Economic and Trade Offices (ETOs) in Washington, New York and San Francisco in the past 3 years and the coming year?

What were the numbers of visits made to the host government and trade organisations by the 3 ETOs and the numbers of US government officials and congressional members/staffers they met with in 2018, 2019 and 2020 respectively?

What efforts have been made/are being made/will be made by the 3 ETOs to enable the US society to have a correct understanding of the situation in Hong Kong and dispel their misunderstandings about the social situation in Hong Kong?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 172)

Reply:

The staff establishment of the Hong Kong Economic and Trade Offices (ETOs) in Washington, New York and San Francisco has remained unchanged for 2018-19, 2019-20, 2020-21 and 2021-22. The staff establishment and salaries by rank are as follows :

Rank	2020-21 Monthly Salary	ETO		
		Washington	New York	San Francisco
Administrative Officer Staff Grade A (D6)	HK\$265,150 to HK\$273,000	1	-	-
Administrative Officer Staff Grade C (D2)	HK\$179,350 to HK\$196,050	1	1	1
Senior Administrative Officer	HK\$117,580 to	2	1	1

Rank	2020-21 Monthly Salary	ETO		
		Washington	New York	San Francisco
	HK\$135,470			
Principal Trade Officer	HK\$117,580 to HK\$135,470	1	-	-
Chief Information Officer	HK\$117,580 to HK\$135,470	-	1	-
Investment Promotion Project Officer	HK\$106,340 to HK\$135,470	-	-	1
Locally-engaged staff		13	11	13
Total staff establishment		18	14	16

The personal emoluments and total operational expenses of the above ETOs in the past 3 financial years and the estimate for 2021-22 are as follows :

ETO	2018-19 (HK\$ million)		2019-20 (HK\$ million)		2020-21 (Revised estimate) (HK\$ million)		2021-22 (Estimate) (HK\$ million)	
	Personal emoluments *	Total operational expenses #	Personal emoluments *	Total operational expenses #	Personal emoluments *	Total operational expenses #	Personal emoluments *	Total operational expenses #
Washington	19.7	32.1	21.1	39.4	21.4	37.3	24.6	50.0
New York	14	32.4	13.4	36.5	12.5	24.4	15.7	34.9
San Francisco	15.1	29.7	14.9	34.4	14.2	23.6	17.0	33.6

* Personal emoluments include salaries and allowances. There is an increase of the 2021-22 estimate over the 2020-21 revised estimate due to the increase in the expenses arising from filling of vacancies, staff changes and salary increments.

Total operational expenses include personal emoluments, personnel related expenses, office expenses and other charges.

In 2018, 2019 and 2020, the number of visits to hosts governments and trade organisations under Programme (1) “Commercial Relations” and contacts with the US government officials, congressmen and their staffers under Programme (2) “Public Relations” by the Washington, New York and San Francisco ETOs are as follows :

ETO	Program (1) “Commercial Relations” Number of visits to host governments and trade organisations			Program (2) “Public Relations” Number of contacts with the US government officials, congressmen and their staffers		
	2018	2019	2020 [@]	2018	2019	2020 [@]
Washington	170	222	172	178	235	188
New York	50	60	59	51	53	56

ETO	Program (1) “Commercial Relations” Number of visits to host governments and trade organisations			Program (2) “Public Relations” Number of contacts with the US government officials, congressmen and their staffers		
	2018	2019	2020 [@]	2018	2019	2020 [@]
San Francisco	80	92	90	64	65	62

[@] The 2020 figures also cover events in virtual form. The 2020 figures dropped due to reduced levels of activities of the ETOs amidst the COVID-19 pandemic.

In 2020, owing to the COVID-19 pandemic and the related anti-pandemic measures, the work of the Washington, New York and San Francisco ETOs had been affected to a certain extent. Notwithstanding this, the 3 ETOs adopted various means such as video conferences, teleconferences, social media, weekly newsletters, webinars, etc. to continue to maintain liaison with various sectors in the US (including federal government officials, congressional members and their staffers, state and city government officials, think-tanks, media, academia, cultural sector, business communities and other opinion leaders), with a view to enhancing their understanding of the latest and actual situation in Hong Kong. The ETOs also closely monitored media reports about Hong Kong in the US and issued clarifications to the media making erroneous news reports to clear up their misunderstanding about Hong Kong.

The ETOs emphasise to their interlocutors that the HKSAR Government spared no effort in implementing “One Country, Two Systems”, following free trade and economic policy, and safeguarding the core values of Hong Kong. They also briefed interlocutors on the latest and actual situation in Hong Kong, such as various actions taken by the HKSAR Government to cope with the COVID-19 pandemic, latest entry and quarantine arrangements as well as economic relief measures. Besides, they explained to interlocutors the implementation of the National Security Law in Hong Kong and the postponement of the Legislative Council election to clear up any misunderstandings so as to enable them to have a more comprehensive understanding of Hong Kong and to preserve Hong Kong’s international image and Hong Kong-US bilateral relations. The ETOs also reiterated that Hong Kong and the US had been enjoying mutually beneficial bilateral relations in trade and business.

The 3 ETOs in the US will continue to maintain close working relationship with various sectors in the US, closely monitor the US Government’s policy directions as well as the US political and economic landscape. They will also continue to explain the latest and actual situation in Hong Kong to interlocutors in the US and clear up any misunderstandings.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)187****(Question Serial No. 2505)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How many requests for assistance relating to the COVID-19 pandemic were received by the overseas Economic and Trade Offices (ETOs) from Hong Kong people in 2019 and 2020? Please provide a breakdown by category of request for assistance (e.g. being stranded in the cities/countries concerned, lack of medicine and visa issues). What assistance have the ETOs provided to Hong Kong residents during the pandemic and what was the additional expenditure involved?
2. The Government has tightened requirements for persons arriving in Hong Kong from the United Kingdom (UK) since 22 December 2020. How many requests for assistance were received by the London ETO from people who were stranded in the UK and could not return to Hong Kong? What assistance has the London ETO provided to them and what was the additional expenditure involved?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 175)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) did not receive any request for assistance from Hong Kong residents in relation to COVID-19 pandemic in 2019. A total of 745 requests were received in 2020. For some of the requests, they involved more than one type of assistance. The numbers of cases for each type of assistance are as follows:

Reason for assistance	Number of cases
Stranded in the countries concerned	201
Lack of medicine	20
Visa issues	110
Enquiries on entry and quarantine arrangements in Hong Kong	315
Others (such as lack of personal protective equipment, denied boarding by airlines, expiry of HKSAR passport, etc.)	129

Apart from the above, the HKSAR Government assisted a total of 193 Hong Kong passengers on board the Diamond Princess cruise ship in Japan to return to Hong Kong via 3 chartered flights in February 2020. Assistance was also provided to another 92 Hong Kong passengers to return to Hong Kong later upon completion of medical treatment and quarantine in Japan. To provide support to the affected Hong Kong residents, the Tokyo ETO had throughout the operations facilitated co-operation and communication between the Japanese Government and officers from different departments of the HKSAR Government who had been deployed to Japan for providing assistance to Hong Kong residents.

During the pandemic, the ETOs endeavoured to render support to Hong Kong residents who requested assistance. For example, the ETOs provided them with the required information (including updated immigration control measures and relevant information on local medical institutions), and if necessary referred cases to the relevant local authorities, Chinese diplomatic and consular missions or the Immigration Department (ImmD) for follow-up. For the Hong Kong residents who sought the ETOs' assistance due to lack of medicine, the ETOs provided information about the procedures and contact details of the responsible local authorities for import of medicine with a view to assisting them to obtain the required medicine as soon as possible.

Since 22 December 2020, the London ETO has received 69 requests for assistance from the Hong Kong residents in the United Kingdom. The ETO provided them with the required information and, if needed, referred cases to the relevant departments of the HKSAR Government (such as ImmD, the Food and Health Bureau, etc.) for follow-up, as well as maintained liaison with them in order to provide assistance as far as possible. Besides, the ETO regularly updated the information on its website and social media platforms, including uploading the latest boarding and compulsory quarantine requirements, etc., for reference by the Hong Kong residents there.

Since the ETOs make use of their existing manpower and resources to assist Hong Kong residents in need, the relevant work did not involve additional expenditure.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)188

(Question Serial No. Q2607)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations, (2) Public Relations, (3) Investment Promotion

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please explain why the 2020-21 revised estimate on “Head 96 - Government Secretariat: Overseas Economic and Trade Offices” is 47.4% lower than the original estimate and the 2021-22 estimate is 9.1% lower than the 2020-21 original estimate.

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 173)

Reply:

The main reasons for the reduction in the 2020-21 revised estimate of the overseas Hong Kong Economic and Trade Offices (ETOs) over the 2020-21 original estimate are the lower-than-expected operating expenditure for new ETOs to be set up; decrease in salary expenses due to vacancies and staff changes; and reduction in expenditure arising from reduced levels of activities organised by the ETOs amidst the COVID-19 pandemic. The 2021-22 original estimate is 9.1% lower than the 2020-21 original estimate because of the lapse of time-limited provisions in 2021-22.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)189

(Question Serial No. 2608)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations, (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the staffing establishments, salary expenditures by rank and total expenditures of the Economic and Trade Offices (ETOs) in Berlin, Brussels, Geneva, London, Sydney and Toronto?

What are the numbers of visits made to the hosts governments and trade organisations by the aforementioned ETOs and the numbers of government officials and councillors that they met in 2018, 2019 and 2020?

What have the aforementioned ETOs done or what are being/will be done to enable the 4 countries of the Five Eyes alliance (the United Kingdom, Canada, Australia and New Zealand) and the European Union countries to have a correct understanding of the situation of Hong Kong and eliminate their misunderstanding of the situation of Hong Kong society?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 174)

Reply:

The staff establishment (as at 31 March 2021) and salaries by rank, and the revised estimate of the total operational expenses for 2020-21 of the Hong Kong Economic and Trade Offices (ETOs) in Berlin, Brussels, Geneva, London, Sydney and Toronto are as follows :

Rank	2020-21 Monthly Salary	ETO					
		Berlin	Brussels	Geneva	London	Sydney	Toronto
Administrative Officer Staff Grade B1 (D4)	HK\$236,650 to HK\$251,100	-	1	1	-	-	-
Administrative Officer	HK\$208,500 to	-	-	-	1	-	-

Rank	2020-21 Monthly Salary	ETO					
		Berlin	Brussels	Geneva	London	Sydney	Toronto
Staff Grade B (D3)	HK\$227,600						
Administrative Officer Staff Grade C (D2)	HK\$179,350 to HK\$196,050	1	2	2	-	1	1
Senior Administrative Officer	HK\$117,580 to HK\$135,470	1	-	2	2	1	1
Principal Trade Officer	HK\$117,580 to HK\$135,470	-	2	2	-	-	-
Trade Officer	HK\$74,515 to HK\$110,170	1	-	-	1	-	-
Principal Information Officer	HK\$93,710 to HK\$110,170	-	-	-	-	1	1
Executive Officer I	HK\$58,635 to HK\$73,775	1	-	-	-	-	-
Locally-engaged staff		13	13	8	14	10	8
Total staff establishment (as at 31 March 2021)		17	18	15	18	13	11
2020-21 personal emoluments (\$ million) *		13.1	19.9	25.0	12.9	11.4	8.2
2020-21 total operational expenses (\$ million) #		24.4	31.9	36.8	27.7	23.0	17.1

* The expenditure on personal emoluments includes salaries and allowances.

Total operational expenses include personal emoluments, personnel related expenses, office expenses and other charges.

In the past 3 years, the number of visits to host governments and trade organisations under Programme (1) “Commercial Relations” and the number of calls on senior government officials/organisations (including councillors) under Programme (2) “Public Relations” by the above ETOs are as follows :

ETO [^]	Programme (1) “Commercial Relations” Number of visits to host governments and trade organisations			Programme (2) “Public Relations” Number of calls on senior government officials/organisations		
	2018	2019	2020 [@]	2018	2019	2020 [@]
Berlin	115	111	36	152	147	39
Brussels	162	159	83	305	301	196
London	258	250	6	262	251	20
Sydney	151	122	19	162	124	20
Toronto	117	120	82	157	160	128

[^] As the Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters, it does not visit host governments and trade organisations under Programme (1), and call on senior government officials/organisations under Programme (2).

[@] The 2020 figures also cover events in virtual form. The 2020 figures dropped due to much reduced levels of activities amidst the COVID-19 pandemic.

The Berlin, Brussels, London, Sydney and Toronto ETOs have along been updating the United Kingdom, Canada, Australia, New Zealand, the European Commission and relevant member states of the European Union on the latest situation of Hong Kong and dispelling their misunderstandings through various channels, including meeting with government officials, councillors and relevant organisations; organising and participating in seminars and workshops; issuing multilingual press releases and social media feeds; and publishing e-newsletters and issuing letters to interlocutors in different sectors. The ETOs also closely monitor media reports about Hong Kong in the host countries and the economies under their respective purviews, and issue clarifications to the media making erroneous news reports, with a view to eliminating their misunderstanding towards the situation in Hong Kong. The Chief Executive and Principal Officials also participate in the webinars co-organised by the ETOs and local think-tanks, business associations, etc. to update them on the latest situation in Hong Kong, and to reassure them that the fundamentals and competitive advantages of Hong Kong remain sound and robust amidst the difficulties and challenges arising from the social events and the COVID-19 pandemic. The 5 ETOs will continue the relevant work to keep the countries under their purviews abreast of the latest situation of Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)190

(Question Serial No. 1265)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate of overseas Economic and Trade Offices (ETOs) for 2021-22 is \$590 million, representing an increase of 73.1% over the revised estimate of \$340 million for 2020-21. This is mainly due to the increased provision for the new ETOs planned to be set up, increased salary provision for filling vacancies and staff changes, and increased operating expenses. Please advise this Committee on the following:

1. What are the details of the manpower, remuneration and expenditure for the Dubai ETO in the United Arab Emirates, which will come into operation in 2021?
2. What are the plans of the Dubai ETO for fostering Hong Kong's economic and trade development and publicising investment projects on the Belt and Road Initiative in the Middle East?
3. As stated by the current Government in July 2018, 5 new ETOs would be set up in Bangkok, Dubai, Moscow, Mumbai and Seoul. The Bangkok ETO commenced operation in February 2019. How effective was its performance over these 2 years in operation?
4. What is the progress of the preparatory work for setting up ETOs in Moscow, Mumbai and Seoul?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 62)

Reply:

To strengthen Hong Kong's economic and trade relations with other places, the HKSAR Government has been actively expanding the network of overseas Hong Kong Economic and Trade Offices (ETO) to enhance external promotion and exchanges, seeking new business opportunities for Hong Kong. Our discussions with the United Arab Emirates

(UAE) government on the establishment of the Dubai ETO have been successfully concluded, and we are now actively pursuing the preparatory work in setting up the ETO. The Dubai ETO, which is our 14th ETO, is expected to start discharging its duties before the end of this year. The Dubai ETO will comprise 5 Hong Kong-based officers and 12 locally-engaged staff. The total operational expenses are estimated to be \$29.6 million per year. Both the manpower and resources required by the Dubai ETO are similar to those of the other ETOs.

The Bangkok ETO, our third ETO in the Association of the Southeast Asian Nations (ASEAN) region (the other two are the Jakarta ETO and the Singapore ETO respectively), commenced operation in February 2019, covering the bilateral relations between Hong Kong and three ASEAN member states, namely Cambodia, Myanmar, and Thailand, and Bangladesh in South Asia. Since its establishment, the Bangkok ETO has been actively strengthening its ties with the governments and business communities of the four countries, dealing with the bilateral relations between Hong Kong and them, maintaining close liaison with the local government officials, chambers of commerce, as well as media organisations, and organising or co-hosting various promotion events with other Hong Kong agencies. The ETO promotes Hong Kong's unique advantage under "One Country, Two Systems" as well as the immense business opportunities brought about by Hong Kong's participation in the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development, thereby encouraging foreign investors and enterprises to make use of Hong Kong as a platform to enter into the Mainland market. Prior to the pandemic outbreak, the Bangkok ETO actively supported and participated in various conferences and forums organised by local governments as well as business groups and bodies to establish its network with different sectors in the local communities. The Bangkok ETO also co-ordinated overseas visits by our principal officials and representatives of other organisations, including the Secretary for Commerce and Economic Development's (SCED) visit to Bangkok in September 2019 to attend the 3rd ASEAN Economic Ministers-Hong Kong, China Consultations Meeting. Besides, the Bangkok ETO staff also paid visits to various main cities, and universities and cultural institutions in the cities with a view to learning more about the local situation and establishing local connections. Since the pandemic outbreak, the Bangkok ETO continues to proactively maintain liaison with interlocutors in various ways, and strengthen promotion on Hong Kong's culture to the netizens in the four countries under its purview through social media platforms, and at the same time showcasing the cultural diversity of these four countries to Hong Kong netizens. In addition, the Bangkok ETO's publicity project "Hong Kong Promotion Campaign" has been rolled out in phases in various provinces in Thailand. Through large-scale outdoor advertisements, the campaign seeks to promote Hong Kong to the general audience in Thailand as well as to establish the Bangkok ETO's connections in different places. The Bangkok ETO also organised and participated in webinars for our officials to directly engage overseas audience to provide the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, SCED attended the webinar "Resilience Strategy: Thailand-Hong Kong Partnership" co-organised by the Bangkok ETO and the Thailand Board of Investment in June 2020 to promote the strengths of Hong Kong's innovation and technology enterprises, as well as the synergy achieved through complementary co-operation of three places in the GBA development, facilitating Hong Kong enterprises intending to expand into the Thai market in better understanding the local business environment, thereby fostering closer economic and trade collaboration with Thailand on the government level. The Bangkok ETO also monitors closely the latest

situations in different places and maintains close liaison with local Hong Kong residents. In view of the situation in Myanmar, the Bangkok ETO has been closely monitoring the developments and maintained close liaison with the local Chinese Embassy as well as the Consulate-General of Myanmar in Hong Kong, providing timely information to Hong Kong residents in Myanmar. The Bangkok ETO will continue to liaise closely with its stakeholders in the year to come through various channels including meetings, webinars, and social media posts to enhance exchanges with interlocutors and explore opportunities for closer collaboration under the new normal.

As for the Dubai ETO, it is our first ETO in the Middle East region, covering the bilateral economic and trade relations between Hong Kong and the member states of the Cooperation Council for the Arab States of the Gulf, i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE. The Dubai ETO will proactively strengthen the economic and trade ties between Hong Kong and its trading partners in the region to explore new business opportunities upon commencement of operation. Depending on the developments of the pandemic, the Dubai ETO will, through organising and participating in different events, actively promote Hong Kong's unique status in the Belt and Road Initiative to various audiences, encouraging enterprises to seize the opportunities by making use of Hong Kong as a platform to develop business opportunities in the Mainland and Asia.

The HKSAR Government will continue to strengthen the bilateral relations between Hong Kong and our trading partners, and formulate strategy on the expansion of ETO network. We will closely monitor the developments of various economies to identify trading partners with development potentials and explore the needs and feasibility in setting up ETOs there. For the proposals to set up ETOs in Moscow, Mumbai, and Seoul, we have been maintaining close liaison with the relevant governments through various channels, including the local departments concerned as well as the Consuls-General in Hong Kong. In general, the establishment of new ETOs involves a host of considerations and detailed arrangements, including matters related to privileges and immunities. We will continue to closely liaise with relevant governments to follow up on the proposals.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)191

(Question Serial No. 2329)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please list the expenditure and manpower involved in the promotion of local cultural and creative industries, local culture and exchanges by overseas Economic and Trade Offices (ETOs) in the past year, and the percentage of such expenditure in the total expenditure.
- (b) Please use the table below to provide the details of arts and cultural or sport events (such as film festivals, arts and cultural performances, roving exhibitions, rugby tournaments and dragon boat festivals) held by the overseas ETOs in the past year.

ETO:			
Name of events	Date of events	Hong Kong organisations involved (if any)	Expenditure of events

- (c) What specific plans do the overseas ETOs have for the promotion of local cultural and creative industries, local culture and exchanges this year? What are the estimated expenditure and manpower involved?
- (d) Have any local cultural organisations contacted the overseas ETOs to reflect the need to conduct cultural exchanges and promote local culture overseas? If yes, what was the number of such cases? How did the Government handle their requests?
- (e) Will the Government consider deploying dedicated staff to overseas ETOs as appropriate to handle cultural matters? If yes, what are the details? If no, what are the reasons?

- (f) Did the relevant overseas ETOs promote cultural exchanges between Hong Kong and countries along the Belt and Road last year? What were the details and expenditure involved? Do they have any plan to promote cultural exchanges between Hong Kong and countries along the Belt and Road in the coming year? If yes, what are the details and expenditure involved? If no, what are the reasons?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 30)

Reply:

In 2020, the overseas Hong Kong Economic and Trade Offices (ETOs) (except the Geneva ETO which specialises in World Trade Organization matters) not only strived to strengthen Hong Kong's overseas economic and trade relationships with foreign countries, but also assisted in promoting Hong Kong's cultural and creative industries and facilitating cultural exchanges. Promotion of cultural exchanges is under the policy purview of the Home Affairs Bureau (HAB). From time to time, the ETOs assisted HAB in organising, sponsoring and participating in different arts and cultural events in the countries/regions under their respective purviews, such as film festivals, concerts, dance performances, arts exhibitions, etc., and invited Hong Kong people from various sectors, including film directors, actors, designers, emerging artists, etc., to participate in these events. The ETOs also supported Hong Kong's arts and cultural groups of different sizes to conduct exchanges and give performances overseas. In the year, the COVID-19 pandemic raged around the world and various cultural exchange events were severely affected due to social distancing measures and immigration controls implemented by many countries. Notwithstanding this, the ETOs still actively organised/supported arts and cultural events (some events were conducted in virtual form). Examples are as follows:

- In Asia, the Jakarta ETO continued to promote Hong Kong's arts and culture in the member states of the Association of Southeast Asian Nations, including sponsoring Hong Kong String Orchestra's first performance in Johor Bahru, Malaysia in January. In July, the Singapore ETO sponsored a webinar organised by The Rice Company Limited which enabled arts personalities and performing artists to share and exchange views with the audiences on how creative industries coped with the challenges caused by the pandemic. The Bangkok ETO issued a series of posts on Facebook, which strategically targeted the netizens of Thailand, Cambodia, Myanmar and Bangladesh, to promote Hong Kong's culture as well as to showcase the cultural diversity of these four countries to Hong Kong's netizens. The Sydney ETO sponsored and virtually attended the Chinese New Year events hosted by various chapters of the Hong Kong Australia Business Association and the Hong Kong New Zealand Business Association to share the latest developments of Hong Kong and the tradition of the Chinese New Year.
- In Europe, the Brussels ETO sponsored "Binotan Run & Bike" in January to promote the vibrancy of Hong Kong. In the same month, the Berlin ETO provided support to young students from the Academy of Visual Arts of the Hong Kong Baptist University to organise a visual arts exhibition at the arts centre, Kunstquartier Bethanien, in Berlin. The London ETO sponsored two performances by Hong Kong performers at the Chinese Arts Now Festival in February to demonstrate their talents to international

audiences, as well as to introduce the culture of Hong Kong and Cantonese vocabularies to parents and their children in the United Kingdom.

- In North America, the 3 ETOs in the United States set up an arts and culture website in October. They collaborated with Hong Kong's performing arts groups from time to time, such as Hong Kong Ballet and Hong Kong Philharmonic Orchestra, etc., to enable the US audiences to experience Hong Kong's arts and cultural scenes. During a virtual event in November, the Washington ETO invited the Artistic Director of Performing Arts of the West Kowloon Cultural District for a conversation to share her working experience in the performing arts field in Hong Kong and the Mainland. The New York and San Francisco ETOs continued to participate in a number of film festivals, screening numerous Hong Kong films to local audiences. The Toronto ETO sponsored a virtual event, "Breadth, Virtuosity, Depth and Innovation - a Review of Cantonese Opera talks by belated Dr Lam Kar-sing", in December to promote Cantonese opera to the general public in Canada.

As promoting Hong Kong's arts and culture is part of the overall public relations work of the ETOs, it is difficult to quantify the expenditure and number of staff involved separately.

In 2021, our ETOs continue to promote Hong Kong's arts and cultural achievements and characteristics, and support our local creative industries to tap overseas markets. Since the relevant work has been included in the overall public relations work of ETOs, it is difficult to quantify the estimated expenditure and number of staff involved separately.

Since 2018-19, the Government has gradually increased recurrent funding for local arts groups/artists to perform and conduct cultural exchange activities outside Hong Kong to \$50 million, with a view to fostering arts and cultural exchanges, widening their opportunities and promoting the cultural soft power of Hong Kong. HAB provides funding for the ETOs to support arts and cultural exchange activities of Hong Kong arts groups/artists. Over the years, our ETOs have been in close contact with different cultural organisations in Hong Kong to provide support for their cultural exchanges in overseas countries, but there are no statistics on the requests for assistance. In general, the ETOs would respond positively to requests of such organisations and provide assistance as appropriate, taking account of various factors (such as resources and manpower arrangement, different cultural environment of overseas countries, etc.). The ETOs would (1) liaise with relevant local partners and other local arts and cultural bodies to facilitate cultural exchanges and cooperation; (2) provide assistance in publicity work through different channels; and (3) support or co-organise events, etc. in order to promote Hong Kong's cultural and creative industries.

Promotion of cultural exchanges between Hong Kong and countries/regions under their respective purviews has always been one of the main functions of the ETOs. The ETOs will continue to make best use of resources to perform the work in this regard under a multi-pronged approach and at different levels. There is no plan to deploy dedicated staff to the ETOs to handle cultural matters.

In the past year, the ETOs actively promoted cultural exchanges between Hong Kong and the countries (including those along the Belt and Road) under their respective purviews with a view to publicising the developments of Hong Kong's cultural and creative industries, etc.

In Europe, the Brussels, Berlin and London ETOs sponsored international film festivals in various European countries and supported the screening of Hong Kong films in these festivals to promote Hong Kong's film culture. In Asia, the Jakarta and Singapore ETOs sponsored the performances by the Hong Kong's arts and cultural organisations with a view to promoting cultural exchanges with Belt and Road countries. In 2021, the ETOs continue to organise different types of arts and cultural activities in countries along the Belt and Road. For instance, the Tokyo ETO together with the Leisure and Cultural Services Department and the Sejong Center for the Performing Arts in Seoul will organise a "Hong Kong Week" in Seoul, Korea in August 2021 during which renowned performing groups from Hong Kong will be invited to participate in a series of cultural performances. As the above efforts are part of the overall public relations work of the ETOs, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)192****(Question Serial No. 2406)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

So far, Hong Kong has set up Economic and Trade Offices (ETOs) at 13 locations overseas to further Hong Kong's trade and economic interests. What were the operating expenses of the 13 ETOs for each of the past 3 years? What programmes or promotional activities were organised by each of the 13 ETOs in the past year to promote the business opportunities arising from Hong Kong's participation in the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development?

Asked by: Hon OR Chong-shing, Wilson (LegCo internal reference no.: 36)

Reply:

In the past 3 financial years, the total operational expenses (including personal emoluments and other operational expenses) of the 13 overseas Hong Kong Economic and Trade Offices (ETOs) are as follows:

ETO	2018-19 (HK\$ million)	2019-20 (HK\$ million)	2020-21 Revised Estimate (HK\$ million)
Bangkok*	6.2	20.2	21.2
Berlin	28.3	32.2	24.4
Brussels	35.3	37.2	31.9
Geneva	34.1	34.5	36.8
Jakarta	18.3	21.5	20.1
London	32.6	49.0	27.7
New York	32.4	36.5	24.4
San Francisco	29.7	34.4	23.6

ETO	2018-19 (HK\$ million)	2019-20 (HK\$ million)	2020-21 Revised Estimate (HK\$ million)
Singapore	19.8	21.7	21.4
Sydney	26.2	29.1	23.0
Tokyo	35.8	38.8	28.7
Toronto	17.5	20.4	17.1
Washington	32.1	39.4	37.3

* The Bangkok ETO commenced operation on 28 February 2019.

The ETOs actively strengthen relations with overseas governments and business communities to promote Hong Kong's unique advantages under "One Country, Two Systems" and the immense business opportunities arising from Hong Kong's participation in the Belt and Road Initiative (B&RI) and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development, encouraging overseas investors and enterprises to leverage Hong Kong as the platform for entering the Mainland market. Before the outbreak of the pandemic, the ETOs hosted and participated in various types of physical events such as major conferences, seminars and outreach activities and organised overseas visits for senior officials, etc., to update their interlocutors on Hong Kong's latest developments and advantages on various fronts and encourage them to conduct business and invest in Hong Kong. While the epidemic outbreak in the places where the ETOs are located has affected overseas promotion work, the ETOs have continued to proactively reach out to their interlocutors through various channels, including organising and participating in webinars to directly engage overseas stakeholders from various sectors. From June 2020 to end February 2021, the ETOs organised around 20 webinars for the Chief Executive and Principal Officials to directly engage overseas audiences, providing them with the latest updates on Hong Kong and promoting Hong Kong's developments on various fronts. The ETOs will continue to actively promote to overseas communities Hong Kong's unique status in the B&RI and GBA development, encouraging enterprises to seize the opportunities by making use of Hong Kong as the platform to develop business opportunities in the Mainland as well as in Asia.

Examples of promotional activities organised by the ETOs in 2020-21 are as follows:

- In Asia, the Jakarta ETO hosted a Chinese New Year dinner in Bandar Seri Begawan, Brunei and a Chinese New Year reception in Jakarta, Indonesia between January and February 2020. During the events, the ETO highlighted Hong Kong's close economic and trade relations with the Association of Southeast Asian Nations (ASEAN), and Hong Kong's strengths and roles in the B&RI, the GBA development, the ASEAN-Hong Kong Free Trade Agreement and the related Investment Agreement. Besides, the Chief Executive and the Secretary for Commerce and Economic Development (SCED) attended the "Riding Ups and Downs: Hong Kong-Indonesia Partnership" webinar organised by the ETO in August, aiming to strengthen cooperation between Hong Kong and Indonesia on the areas of trade, investment, professional services, technology, etc.

In August, the Singapore ETO co-organised 2 webinars on ship safety with the

Shanghai and London ETOs as well as the Marine Department, with the aim to reinforce Hong Kong's status as an international maritime centre and a gateway to the Mainland by promoting ship safety of Hong Kong-registered ships and comprehensive maritime services provided by Hong Kong.

The Sydney ETO organised a webinar on "Hong Kong's strengths as an international finance centre in a pandemic and beyond" in August, during which the Secretary for Financial Services and the Treasury (SFST) gave a presentation on the unique advantages of the GBA compared to other bay areas in the world, in particular those for the financial service industry.

The Bangkok ETO organised the "Corporate Innovation Summit 2020 LIVE" cum Dinner Reception in September to promote Hong Kong's economic and business environment to over 4 000 participants from 68 industries in 45 countries, covering executives, innovators, international entrepreneurs, representatives of startups, investors, government officials and the media.

In September, the Tokyo ETO organised 2 webinars. The first one was "Hong Kong's Role in the GBA" which introduced to the Korean business sector the significance of the GBA development, Hong Kong's role and advantages in the GBA, and the immense business opportunities provided in Hong Kong and the GBA. The second one was co-organised with the Japan-Hong Kong Parliamentarian League on "Riding Ups and Downs: Hong Kong-Japan Partnership", with SCED, members of National Diet of Japan and their representatives, as well as officials of the Ministry of Foreign Affairs of the Japanese Government as the attendees.

- In Europe, the Director-General of the London ETO gave a presentation at the Greater China Bites Seminar organised by the Department for International Trade of the UK Government in January 2020. She outlined Hong Kong's unique advantages under "One Country, Two Systems" and the opportunities offered by Hong Kong to UK companies under the B&RI and the GBA development.

The Brussels ETO organised a webinar titled "Your Purchase Centre in Hong Kong" in Rotterdam, the Netherlands in September to promote Hong Kong as a purchase centre for the B&RI and GBA. Besides, the Brussels and Berlin ETOs jointly organised in February 2021 an online event titled "Direct Dialogue with Mrs Carrie Lam, the Chief Executive of the HKSAR". During the event, the Chief Executive stated Hong Kong's strategic location and unique advantages under "One Country, Two Systems", including the rule of law, judicial independence, free flow of capital and a low and simple tax regime, making Hong Kong as an ideal gateway for European companies to enter the vast market in the Mainland, in particular the GBA. SCED, the Secretary for the Environment and SFST also attended the event.

- In the US, the Washington ETO hosted a Chinese New Year reception in January 2020 to promote regional opportunities offered by Hong Kong, including business opportunities brought by the GBA and the B&RI. The ETO also co-organised a webinar with the US-China Business Council in July, during which SCED updated the US business community and think-tanks on the latest developments in Hong Kong from the trade and economic perspectives.

The New York ETO co-organised a business webinar titled “Hong Kong as a Global Aviation Hub - Unleash the Opportunities in the Post Covid-19 World” in October with the Hong Kong Association of New York, the Hong Kong Association of Atlanta, the Hong Kong Trade Development Council and Invest Hong Kong (InvestHK). Representatives of the air cargo and logistics sectors in Hong Kong and the US discussed the latest developments of the industries, including new opportunities brought by the GBA development as well as Hong Kong’s role as a major aviation hub in the region.

In addition, the San Francisco ETO co-hosted a webinar titled “Hong Kong’s Next Chapter as a Global Financial Centre” with The Committee of 100 in November, with SFST as one of the speakers to introduce the latest financial service developments in Hong Kong and the HKSAR Government’s efforts to develop financial technologies and enhance Hong Kong’s role as a premier asset and wealth management centre. In the same month, the San Francisco ETO, together with the Tokyo ETO, InvestHK and Hong Kong Science and Technology Parks Corporation (HKSTPC), rendered support to the Alliance Forum Foundation in organising the 2020 World Alliance Forum in San Francisco. There was a panel session on “Hong Kong: New Horizon for Global Innovation”, in which the Secretary for Innovation and Technology, Secretary for Food and Health, Director-General of Investment Promotion, Chief Executive Director of HKSTPC and Vice-Chancellor and President of the Chinese University of Hong Kong introduced the latest developments of biotechnology and various opportunities in Hong Kong.

The Toronto ETO also co-organised a webinar with Hong Kong-Canada Business Association in July to highlight to the Canadian business sector the latest developments of financial services in Hong Kong, which was joined by SFST, members of the Hong Kong-Canada Business Association and representatives from the business sector. In addition, the ETO organised a webinar titled “Unlock the Financial and Investment Opportunities in Asia via the Hong Kong Platform” in December to introduce business opportunities brought by the B&RI to the Canadian companies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)193

(Question Serial No. 2262)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Provision for 2021-22 is \$117.0 million (71.8%) higher than the revised estimate for 2020-21. This is mainly due to the increased provision for the new Economic and Trade Offices (ETOs) planned to be set up, increased salary provision for filling vacancies and staff changes, and increased operating expenses.

Given that the pandemic is still raging, will the plan of setting up additional overseas ETOs be affected and postponed? Amid the pandemic, what are the figures on staff wastage and promotion and the amount of money required in filling vacancies? Will there be any increase in manpower in the future?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 33)

Reply:

The HKSAR Government has been actively expanding its network of overseas Hong Kong Economic and Trade Offices (ETOs) to enhance external promotion and exchanges, strengthen Hong Kong's trade and economic relations with other places, and seek new business opportunities for Hong Kong. Despite the pandemic, we are actively carrying out preparatory work for setting up new ETOs. In this connection, we have completed discussions with the United Arab Emirates Government on the establishment of the Dubai ETO, and the ETO is expected to start discharging its duties before the end of this year. The Dubai ETO is the second new ETO set up by the current-term Government following the Bangkok ETO. It is also our first ETO in the Middle East region, which will help strengthen Hong Kong's trade and economic connections with the trading partners in the region. The HKSAR Government will continue to explore the feasibility of setting up ETOs in different countries, with a view to further strengthening Hong Kong's global trade and economic network.

As regards the manpower of the ETOs, in 2020-21 (as at 28 February 2021), among the 13 ETOs, there were 1 Hong Kong-based officer and 7 locally-engaged staff, who left the service due to retirement, resignation on personal grounds etc. The 2021-22 estimate for the personal emoluments of these 8 posts is HK\$3.83 million. Besides, in 2020-21 (as at 28 February 2021), there were 4 Hong Kong-based officers who were promoted.

The ETOs would continue to make best use of existing resources to perform their work. We would also review the manpower situation of the ETOs regularly and provide additional manpower to the ETOs concerned where the situation warrants.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)194

(Question Serial No. 2263)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, the overseas Economic and Trade Offices (ETOs) will continue to step up publicity and public relations efforts and launch promotional campaigns in the member states of the Association of Southeast Asian Nations, Australia, Europe, Japan, Korea, New Zealand, North America, the Middle East, etc., and strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity.

While the situation of the pandemic in various countries is still volatile, in what ways will the ETOs conduct promotional and publicity work? What is the estimated amount of money required? On promotional work, will it be conducted according to the importance and priority of the work? If yes, what are the details; if not, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 34)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the “new normal”, the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong’s developments, and strengthen the promotion on the successful implementation of “One Country, Two Systems” and Hong Kong’s advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong

Kong to clarify and rectify negative or biased reports to stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

When the pandemic stabilises, the ETOs, ISD, Invest Hong Kong, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong. As the relevant work

is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau as well as the ETOs, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)195

(Question Serial No. 1461)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations, (2) Public Relations, (3) Investment Promotion

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As the COVID-19 pandemic has dealt blows to the global economy and Hong Kong have set up overseas Economic and Trade Offices (ETOs) in a number of countries, what are the main areas of work of each of these ETOs that have been suspended or delayed in 2020-21 because of the pandemic? What measures will be taken by these ETOs to facilitate their work under the 3 programmes, namely Commercial Relations, Public Relations and Investment Promotions in 2021-22? Are there any specific strategies formulated and goals set in this regard?

Asked by: Hon YUNG Hoi-yan (LegCo internal reference no.: 53)

Reply:

The HKSAR Government has been striving to strengthen relations and liaison with overseas governments and business communities through our network of overseas Hong Kong Economic and Trade Offices (ETO). The ETOs (with the exception of the Geneva ETO whose duty is to represent Hong Kong at the World Trade Organization) are responsible for fostering ties at the government level as well as handling the bilateral relations between Hong Kong and the trading partners under the ETOs' respective purviews in various areas including economy, trade, investment and culture. They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, conducting promotion work (e.g. giving public speeches, issuing press releases, etc.), liaising closely with Hong Kong enterprises and a wide range of interlocutors to provide them with information and enquiry services about Hong Kong.

Since the pandemic outbreak last year, many places implemented anti-pandemic measures of various extents and the daily operations of all ETOs were affected. Taking into account the development of the pandemic in the host countries of the ETOs and the anti-pandemic measures undertaken by the local governments, the ETOs adopted special work

arrangements, including full-fledged work-from-home arrangement for all staff or arranging staff to take turns to work in office on roster. In addition, the various anti-pandemic measures also affected large-scale physical promotion and liaison activities, including conferences, seminars, and overseas visits by senior officials. Notwithstanding, the ETOs continued with their external engagement work and maintained liaison with various interlocutors through different channels, such as issuing letters to stakeholders in different sectors, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with information on Hong Kong's latest developments in various policy areas. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

When the pandemic stabilises, the ETOs, the Information Services Department, Invest Hong Kong, the Hong Kong Trade Development Council, etc., will act in line with the overall promotion strategy of the HKSAR Government, and collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)196

(Question Serial No. 0761)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the numbers of inspections, complaints and arrests in relation to anti-epidemic products last year.

Regarding cases suspected of contravening the Trade Descriptions Ordinance (TDO), please list the number of prosecutions and total value of goods by types of products involved.

Asked by: Hon CHENG Chung-tai (LegCo internal reference no.: 57)

Reply:

The Customs and Excise Department (C&ED) launched a large-scale territory-wide special operation codenamed "Guardian" on 27 January 2020 to conduct inspections, test purchases and examinations of surgical masks and other anti-epidemic products for sale on the market in various districts to ensure that these products comply with the Trade Descriptions Ordinance (TDO) and the Consumer Goods Safety Ordinance (CGSO). As at end of February 2021, during 399 consecutive days of operation, more than 6 600 officer-deployments have been made by C&ED to conduct over 40 000 inspections at retail spots that sell surgical masks and other anti-epidemic products. The officers have also test-purchased more than 790 types of surgical masks for sale on the market for tests on bacterial counts, more than 40 types of hand sanitiser for safety tests, and more than 110 types of disinfectant alcohol for tests on their composition.

During the operation, C&ED has detected a total of 39 cases in which traders were suspected of contravening the TDO and CGSO when supplying anti-epidemic products, arrested a total of 99 persons involved, and seized more than 6.56 million surgical masks, 317 bottles of disinfectant alcohol and 23 bottles of normal saline with an estimated total market value of over \$38 million. As at end of February 2021, there have been a total of 8 successful prosecutions, in which the traders and persons involved have been fined between \$2,000 and \$40,000, and the surgical masks involved with an estimated market value of about \$380,000 have been confiscated. The remaining cases are still under investigation.

The operation “Guardian” will continue and C&ED will take appropriate enforcement action against traders whose selling practice is found to be in potential violation of the relevant legislation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)197

(Question Serial No. 1092)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Matters Requiring Special Attention in 2021-22, the Customs and Excise Department will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What are the specific plans for the related work, and the expenditure and manpower to be involved? What was the expenditure on such work in 2020-21 and how effective was the work?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 22)

Reply:

The Customs and Excise Department (C&ED) has been closely monitoring the latest trend of intellectual property rights (IPR) infringing activities on the Internet and the related technology crimes, and would timely review the strategy and effectiveness of its enforcement work. As a result of the continuous and vigorous enforcement actions taken by C&ED, the IPR infringement situation in the local market is now substantially under control.

The cases of online sale of IPR infringing goods detected by C&ED last year mainly involved the sale of counterfeit goods through social media platforms and online community market places. Currently, C&ED has 3 anti-Internet piracy teams dedicated to online investigation; and has established the Electronic Crime Investigation Centre to enhance the capabilities of anti-Internet piracy team members in online investigation and evidence collection. Moreover, C&ED has set up various online monitoring systems to automatically conduct round-the-clock cyber patrols and detect online IPR infringing activities, with a view to further enhancing the effectiveness of its enforcement work.

Details of online IPR infringing cases detected by C&ED in 2020 are as follows:

Number of cases	76 cases
Total value of seizures	\$3.5 million
Number of successful prosecutions (Note)	117 cases
Penalties imposed by the Court (Note)	Fine: \$500 - \$30,000; Community service order: 40 - 160 hours; Imprisonment: 14 days - 3 months

Note: Cases with trial concluded in 2020

In addition to vigorous enforcement, C&ED has been maintaining close collaboration with network service providers in striving to remove messages, links or users that have been confirmed as infringing IPR. C&ED has also been working in alliance with online platform operators and trademark owners to monitor IPR infringing activities on the Internet and to step up promotion and education work.

In 2020-21, there were a total of 44 C&ED officers dedicated to the investigation of IPR infringing activities on the Internet, and the related salary expenditure was about \$20.83 million. In 2021-22, the resources and manpower devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)198

(Question Serial No. 2200)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the prevention and detection of copyright and trade mark infringement, please advise this Committee of the following:

(a) What were the numbers of online infringing activities detected; the products involved and their market values; the numbers of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in the past 5 years? (Please list the above information by year)

(b) Regarding strengthening law enforcement and publicity education related to intellectual property rights, what are the Government's future work plans and timetables, as well as the expenditure and manpower to be involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 323)

Reply:

Details of online intellectual property rights (IPR) infringing cases detected by the Customs and Excise Department (C&ED) in the past 5 years are as follows:

	2016	2017	2018	2019	2020
Number of cases	201	202	207	203	76*
Number of persons arrested	227	242	246	240	94

	2016	2017	2018	2019	2020
Total value of seizures (mostly leather products, clothing and accessories)	\$1.8 million	\$2.6 million	\$3.5 million	\$2.8 million	\$3.5 million
Number of persons convicted (Note)	175	160	157	146	119
Amount of fines	\$500-\$90,000	\$300-\$30,000	\$500-\$25,000	\$500-\$18,000	\$500-\$30,000
Length of Community Service Order	30-160 hours	40-240 hours	40-160 hours	50-160 hours	40-160 hours
Term of imprisonment	7 days-8 months	3-27 months	28 days-2 months	3 months	14 days-3 months

Note: Cases with trial concluded during the year.

* Due to the COVID-19 pandemic, cases of online sale of IPR infringing goods involving face-to-face delivery had decreased correspondingly.

Currently, C&ED has 3 anti-Internet piracy teams dedicated to online investigation; and has established the Electronic Crime Investigation Centre to enhance the capabilities of anti-Internet piracy team members in online investigation and evidence collection. Moreover, C&ED has set up various online monitoring systems to automatically conduct round-the-clock cyber patrols and detect online IPR infringing activities, with a view to further enhancing the effectiveness of its enforcement work. In 2020-21, there were a total of 44 C&ED officers dedicated to the investigation of IPR infringing activities on the Internet, and the related salary expenditure was about \$20.83 million. In 2021-22, the resources and manpower devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

In addition to vigorous enforcement, C&ED has been maintaining close collaboration with network service providers in striving to remove messages, links or users that have been confirmed as infringing IPR; and working in alliance with online platform operators and trademark owners to monitor IPR infringing activities on the Internet. C&ED has also been stepping up promotion and education work to enhance the public's awareness of IPR protection and consumer rights through various channels, including organising seminars and thematic talks from time to time in collaboration with the Intellectual Property Department, the Consumer Council, industry associations, major chambers of commerce and relevant Government departments. In 2021-22, C&ED will continue the work in this area. Since the expenditure involved has been subsumed within the Department's provision, it is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)199****(Question Serial No. 2418)**

Head: (31) Customs and Excise Department

Subhead: (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED), will the Government advise this Committee of:

- (a) the number of spot checks conducted by C&ED under the TDO in 2020;
- (b) the figures in relation to C&ED's enforcement against the relevant offences under the TDO (including but not limited to the numbers of complaints, investigations and prosecutions) in 2020?

Asked by: Hon OR Chong-shing, Wilson (LegCo internal reference no.: 53)

Reply:

Customs and Excise Department (C&ED) officers will conduct spot checks on traders to verify if they have complied with the Orders under the Trade Descriptions Ordinance (TDO) for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. C&ED sets an annual indicator for spot checks. In 2020, the actual number of spot checks conducted by C&ED in relation to the enforcement of the TDO is 1 936.

The figures in relation to C&ED's enforcement of the TDO in 2020 are as follows:

Type of offence	Breakdown of figures		
	Number of complaints	Number of investigations	Number of prosecutions
False trade descriptions	7 541	106	37
Misleading omissions	159	1	6
Aggressive commercial practices	185	4	10
Bait advertising	17	0	0
Bait and switch	7	0	0

Type of offence	Breakdown of figures		
	Number of complaints	Number of investigations	Number of prosecutions
Wrongly accepting payment	2 380	28	37
Other offences under the TDO [^]	18	3	4

Note: [^]Such as the offences under sections 4 and 12 of the TDO.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)200

(Question Serial No. 0684)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in Matters Requiring Special Attention in 2021-22, the Department will upgrade the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights. What are the specific measures to be taken? What are the staff establishment and expenditure involved?

Asked by: Hon QUAT Elizabeth (LegCo internal reference no.: 22)

Reply:

The Customs and Excise Department (C&ED) has been closely monitoring the latest trend of intellectual property rights (IPR) infringing activities on the Internet and the related technology crimes, and would timely review the strategy and effectiveness of its enforcement work. Currently, C&ED has 3 anti-Internet piracy teams dedicated to online investigation; and has established the Electronic Crime Investigation Centre to enhance the capabilities of anti-Internet piracy team members in online investigation and evidence collection. Moreover, C&ED has set up various online monitoring systems to automatically conduct round-the-clock cyber patrols and detect online IPR infringing activities, with a view to further enhancing the effectiveness of its enforcement work. In 2020-21, there were a total of 44 C&ED officers dedicated to the investigation of IPR infringing activities on the Internet, and the related salary expenditure was about \$20.83 million. In 2021-22, the resources and manpower devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)201****(Question Serial No. 1590)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Rights and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

The Customs and Excise Department (C&ED) indicates that it will continue to strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services in 2021-22. Will the Department advise this Committee of:

1. the numbers of the relevant offences and unfair practices detected and prosecuted in each of the past 3 years (with a breakdown in table form); and
2. the staff establishment and the estimated expenditure for the relevant work.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 31)Reply:

The figures in relation to the Customs and Excise Department's (C&ED) enforcement of the Trade Descriptions Ordinance (TDO) in the past 3 years are as follows:

Type of offence	Breakdown of figures	2018	2019	2020
False trade descriptions	Number of complaints	9 021	6 520	7 541
	Number of investigations	89	106	106
	Number of prosecutions*	34	49	37
Misleading omissions	Number of complaints	278	456	159
	Number of investigations	5	6	1
	Number of prosecutions*	10	6	6
Aggressive commercial practices	Number of complaints	312	602	185
	Number of investigations	13	21	4
	Number of prosecutions*	0	26	10

Type of offence	Breakdown of figures	2018	2019	2020
Bait advertising	Number of complaints	9	18	17
	Number of investigations	0	2	0
	Number of prosecutions*	0	2	0
Bait and switch	Number of complaints	3	7	7
	Number of investigations	2	1	0
	Number of prosecutions*	3	0	0
Wrongly accepting payment	Number of complaints	1 195	626	2 380
	Number of investigations	16	4	28
	Number of prosecutions*	5	2	37
Other offences under the TDO [^]	Number of complaints	0	4	18
	Number of investigations	17	8	3
	Number of prosecutions*	14	8	4

Note: [^]Such as the offences under sections 4 and 12 of the TDO.

*As some prosecutions were initiated in earlier years, the total number of cases may be higher/lower than the number of investigations initiated in the same year.

Currently, there are 231 C&ED officers responsible for the enforcement of the TDO, involving an expenditure of about \$127 million in 2021-22.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)202

(Question Serial No. 1806)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In each of the past 5 years, what were the manpower and resources devoted by the Customs and Excise Department in detecting online sale of infringing goods and Internet and electronic crimes relating to intellectual property rights infringement?
2. Regarding Question 1, how effective was the work in each year during the period, including the types of enforcement action, the amount of money involved in the goods seized / crimes, etc.? Please set out the details in table form.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 71)

Reply:

The Customs and Excise Department (C&ED) has been closely monitoring the latest trend of intellectual property rights (IPR) infringing activities on the Internet and the related technology crimes, and would timely review the strategy and effectiveness of its enforcement work. As a result of the continuous and vigorous enforcement actions taken by C&ED, the IPR infringement situation in the local market is now substantially under control.

Details of the manpower and resources devoted by C&ED in detecting online sale of infringing goods and Internet and electronic crimes relating to IPR infringement, as well as the online IPR infringement cases detected in the past 5 years are as follows:

	2016	2017	2018	2019	2020
Manpower	50	45	45	45	44
Salary expenditure involved	\$19.23 million	\$18.75 million	\$20.1 million	\$21.13 million	\$20.83 million
Number of cases	201	202	207	203	76*
Number of persons arrested	227	242	246	240	94
Total value of seizures (mostly leather products, clothing and accessories)	\$1.8 million	\$2.6 million	\$3.5 million	\$2.8 million	\$3.5 million

* Due to the COVID-19 pandemic, cases of online sale of IPR infringing goods involving face-to-face delivery had decreased correspondingly.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)203****(Question Serial No. 1807)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (5) Trade ControlsControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

In the coming year, the Customs and Excise Department (C&ED) will maintain effective enforcement actions on strategic trade controls by strengthening disposal checks and outreaching programmes. Please advise this Committee of:

1. the manpower and resources involved in the relevant work and operations in each of the past 5 years; and
2. the number of cases of contravention of controls detected each year, and the goods and the amount of money involved in table form.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 72)Reply:

In 2020-2021, apart from the staff responsible for on-site examination of cargoes at entry and exit points, a total of 63 C&ED officers are dedicated to the implementation of strategic trade controls, the control of provision of services to assist in the development of weapons of mass destruction, and the enforcement work against the supply, sale or transfer of arms and other items subject to sanction under the United Nations Sanctions Ordinance, involving a salary expenditure of around \$40.9 million. As the enforcement duties in relation to strategic trade controls are part of the many enforcement duties of the above-mentioned personnel, the relevant manpower and resources involved cannot be quantified separately.

Statistics on cases detected by C&ED in relation to contravention of strategic trade controls in the past 5 years (2016-2020) are tabulated below:

	2016	2017	2018	2019	2020
Number of cases detected	93	107	116	157	163
Total value of seizures* (\$ million)	154.18	4.58	13.74	20.13	27.5

* The goods involved are mostly integrated circuits, information security systems/equipment, etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)204

(Question Serial No. 2254)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. As regards spot checks on fair trading in articles (trade descriptions), there were 1 936 spot checks last year, less than the 4 018 spot checks conducted in the year before last year. What are the reasons? The estimated number of spot checks this year will increase to around 4 000 again. Is there sufficient manpower for the relevant work?
2. The provision for this year is \$74.7 million (16.9%) higher than the revised estimate. This is mainly due to the increased operating expenses. Which aspect of work will incur the increased operating expenses?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 25)

Reply:

Customs and Excise Department (C&ED) officers will conduct spot checks on traders to verify if they have complied with the Orders under the Trade Descriptions Ordinance for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. C&ED sets an annual indicator for spot checks. In 2020, the original indicator for the number of spot checks was 4 000. The decrease in the actual number of spot checks and those targeting trade and exhibition activities was attributable to cancellations of trade and exhibition activities originally scheduled to be held last year due to the COVID-19 outbreak. Considering that the epidemic situation may start to be under control later this year, it is estimated that travel, trade and exhibition activities may resume gradually. Therefore, the indicator for the number of spot checks on fair trading in articles (trade descriptions) in 2021 is maintained at 4 000. C&ED will ensure that sufficient manpower is provided for discharging the relevant duties.

Under Programme (3), the provision for 2021-22 is higher than the revised estimate for 2020-21. It is mainly due to the decrease (8.2%) in the revised estimate for 2020-21 against the original estimate for the same year. With the onset of the COVID-19 outbreak,

C&ED had postponed all overseas activities such as duty visits and training. General procurement was also delayed. In addition, the plans for filling new vacancies were postponed. Therefore, the revised estimate for 2020-21 is lower than the original estimate by around 8.2% (mainly includes the expenditure on personal emoluments and departmental expenses, etc.). In preparing the estimate for 2021-22, C&ED considered that the epidemic situation may start to be under control later this year, so the operation would generally resume normal. Besides, new vacancies arising in mid-year of 2020-21 would be filled in 2021-22. Therefore, although the estimate for 2021-22 (including the full-year effect due to filling of new vacancies) is higher than the revised estimate for 2020-21 by 16.9%, it is higher than the original estimate for 2020-21 by only 7.4%. This is mainly due to increased expenditure on manpower and operating expenses.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0637)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards enhancing the efficiency of cargo transportation and facilitating customs clearance, please inform this Committee of the latest progress of the work below, the work plans in 2021-22 and the estimated expenditure involved:

1. Enhancing the efficiency of cargo clearance;
2. Operation of the electronic Road Cargo System;
3. Operation of the Inter-modal Transshipment Facilitation Scheme;
4. Single E-lock Scheme;
5. Free Trade Agreement Transshipment Facilitation Scheme; and
6. Hong Kong Authorized Economic Operator Programme.

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 44)

Reply:

In 2021-22, the Customs and Excise Department (C&ED) will continue to enhance customs clearance efficiency for facilitating cross-boundary cargo flow. The latest progress of various customs clearance facilitation measures and their work plans in 2021-22 are as follows:

To further facilitate cargo flow between Hong Kong and the Mainland, cargo clearance service at the Heung Yuen Wai Boundary Control Point commenced on 26 August 2020, and round-the-clock cargo clearance service has also been provided at the Shenzhen Bay Boundary Control Point since 10 December 2020. C&ED will continue to enhance different electronic customs clearance platforms (including the Air Cargo Clearance System and the Road Cargo System), make use of big data analytics and artificial intelligence to facilitate risk management and introduce more advanced inspection equipment, including Raman Spectrometers, Gantry type X-ray Vehicle Inspection System, Computed Tomography Scanners with artificial intelligence functions etc. Moreover, C&ED will

continue to promote and develop various cargo clearance facilitation schemes, and closely liaise with the trade to coordinate arrangements on customs clearance.

The Road Cargo System (ROCARS) is an electronic advance cargo information system used for road cargo customs clearance. The ROCARS has been operating smoothly since its implementation, and the trade can enjoy seamless cargo clearance service at six land boundary control points (including Lok Ma Chau, Man Kam To, Sha Tau Kok, Shenzhen Bay, Hong Kong-Zhuhai-Macao Bridge and Heung Yuen Wai which commenced operation on 26 August 2020). C&ED will continue to enhance the system functions to provide stable and reliable services for the trade.

The Single E-lock Scheme (SELS) connects the Inter-modal Transshipment Facilitation Scheme of C&ED with the Speedy Customs Clearance System of the Mainland Customs, and facilitates cargo flow between Hong Kong and the Mainland and enhance clearance efficiency by means of electronic locks and Global Positioning System devices. Extension of the SELS to the new Heung Yuen Wai Boundary Control Point further facilitates cross boundary cargo flow to and from the clearance points in the eastern Guangdong. In 2020, 12 new clearance points were added under the SELS, expanding the SELS' clearance point network to 76. With a new clearance point at the Hong Kong International Airport Air Mail Centre (AMC), the number of clearance points in Hong Kong had increased from 12 to 13. The number of clearance points in Guangdong also increased from 52 to 63, covering all nine Mainland municipalities of the Guangdong-Hong Kong-Macao Greater Bay Area. The expanded clearance point network provides the trade with 819 cross-boundary route options. With new clearance points at the AMC in Hong Kong and Guangdong mail processing centres set up by C&ED and the Guangdong Customs respectively, the coverage of the SELS had been extended from cargo to China Post's Mainland postal items passing through Hong Kong. C&ED will continue to further promote trade participation in the SELS, including organising promotional activities in the Guangdong Province to encourage the logistics industry to join the SELS; strengthening exchanges with the trade and the Mainland Customs to further explore the feasibility of enhancing the SELS; and studying further improvements to the design and system of the SELS to enhance efficiency.

Through the Free Trade Agreement Transshipment Facilitation Scheme (FTA Scheme), C&ED provides customs supervision service and issues Certificate of Non-manipulation to facilitate transshipment cargoes passing through Hong Kong to apply for preferential tariffs under free trade agreements signed between the Mainland and her trading partners. Since 24 June 2020, traders can submit online applications for Certificate of Non-manipulation through the Trade Single Window electronic platform, which helps save time and operating cost. Starting from 1 October 2020, the Government waived charges under the FTA Scheme for one year so as to reduce the trade's operating costs. Also, C&ED has continued to explore streamlined procedures and extension of service scope for the FTA Scheme, including actively liaising with Mainland authorities on the inclusion of the Regional Comprehensive Economic Partnership (RCEP) into the FTA Scheme after the RCEP comes into effect.

The Hong Kong Authorized Economic Operator (HKAEO) Programme is a voluntary accreditation scheme. As at February 2021, 70 local companies have been accredited as HKAEOs, who are eligible for customs facilitation such as reduced inspection and prioritized clearance. Meanwhile, C&ED has signed mutual recognition arrangements (MRAs) with 12 economies, namely the Mainland of China, India, Korea, Singapore,

Thailand, Malaysia, Japan, Australia, New Zealand, Israel, Canada and Mexico. The MRAs are being implemented gradually. In the coming year, C&ED will continue to discuss MRAs with other trading partners of Hong Kong.

The above work will be carried out by C&ED with existing manpower and resources. The related expenditure is subsumed under the establishment of and provision for C&ED. It is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)206

(Question Serial No. 1267)

Head: (78) Intellectual Property Department

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

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Small and medium enterprises (SMEs) are amongst the main focus of the promotion and education efforts of the Intellectual Property Department (IPD). In 2021-22, the matters requiring special attention by IPD include organising promotion and education activities, in particular for SMEs, with emphasis on intellectual property (IP) protection and management.

Please inform this Committee of:

- (1) the IP promotion and education activities for SMEs, and the manpower and expenditure involved in 2021-22;
- (2) SMEs' participation in and the effectiveness of the training courses under the IP Manager Scheme PLUS which was launched in October 2020;
- (3) the details of work in supporting the business community in strengthening their IP protection and management in the Mainland, and the manpower and expenditure involved.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 64)

Reply:

Small and medium enterprises (SMEs) have always been the prime focus of the Intellectual Property Department (IPD)'s promotion and education efforts. Through activities such as seminars, workshops and exhibitions, we have been helping SMEs understand the importance of protecting and managing their intellectual property (IP) rights and raise their awareness of innovation and IP management. Moreover, to tie in with the promotion of Hong Kong as an IP trading hub in the Asia-Pacific region, we will continue to assist SMEs to enhance their competitiveness through IP management and IP commercialisation, so that they may tap the opportunities brought by IP trading.

In 2021-22, IPD will continue to implement a series of initiatives with emphasis on the following:

- promoting the new patent system (mainly involves the “Original Grant Patent” System) which was implemented in December 2019, as well as IP trading and related support services, through different channels including websites, exhibitions, seminars, trade magazines and business associations;
- collaborating with IP authorities in the Mainland to promote IP protection, management and trading to the business sector regarding their businesses in the Mainland, for example, co-organising activities with the IP authorities of the Guangdong Province such as online seminars for SMEs and disseminating the latest information on the IP regimes of Guangdong, Hong Kong and Macao;
- implementing the “IP Manager Scheme PLUS (Scheme PLUS)” training programmes, providing the free “IP Consultation Service Scheme”, and sponsoring training courses and workshops on IP-related subjects;
- co-organising the “Business of IP Asia Forum” with the Hong Kong Trade Development Council and the Hong Kong Design Centre; and
- producing and broadcasting promotion videos on how Hong Kong enterprises could leverage on the unique competitive advantages of different cities in the Greater Bay Area (GBA) to commercialise their IPs and enter into the global market successfully.

The Scheme PLUS, launched in October 2020 by IPD, provides more comprehensive and in-depth IP training courses and practical workshops. As at end-February 2021, IPD has organised four training courses at fundamental and advanced levels under the Scheme PLUS. These training courses were well received with more than 690 participants. According to the feedback from the course evaluation, over 91% of the participants found the training very good or outstanding.

Over the years, under the framework of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights (the Expert Group), IPD has been collaborating with various cities in the Guangdong Province in organising a variety of activities to support the business sector (including SMEs) in strengthening IP protection and management for their Mainland operations. On the premise of complementing the advantages of Guangdong and Hong Kong and achieving mutual benefits, the Expert Group has incorporated into its work plan items related to IP co-operation in the Greater Bay Area (GBA) since 2017-18, with a view to fully capitalising on the opportunities brought by the GBA development. Due to the COVID-19 pandemic, both sides suspended part of the relevant work in 2020. Taking into account the pandemic development, IPD will continue to discuss future cooperation plan with the Guangdong side under the Expert Group to promote the development of IP trading in both places and strengthen IP co-operation in the GBA.

Promoting IP rights to the business sector (including SMEs) and supporting them in strengthening IP protection and management in the Mainland are part and parcel of the overall publicity and education as well as marketing work of IPD. It is therefore difficult to quantify the resources required for such efforts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)207

(Question Serial No. 2372)

Head: (78) Intellectual Property Department

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

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2021-22 that the Intellectual Property Department will continue the outreach effort to young people on intellectual property (IP) protection through school visits and promotion activities. In this connection, please inform this Committee of the following:

- (a) In 2020-21, what promotion and education activities with emphasis on IP protection and management did the Government organise? How many school visits and promotion activities were conducted? What were the respective expenditures involved? How was the importance of copyright protection in the digital environment promoted to the public through such promotion and education activities?
- (b) In 2021-22, what promotion and education activities with emphasis on IP protection and management will the Government organise? How many school visits and promotion activities will be conducted? What are the respective estimated expenditures involved? How will the importance of copyright protection in the digital environment be promoted to the public through such activities?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 42)

Reply:

The Intellectual Property Department (IPD) attaches great importance to the promotion and education work to enhance the public's awareness of and respect for intellectual property (IP) rights. IPD has been implementing the "No Fakes Pledge" Scheme, which encourages retail merchants to pledge not to sell counterfeit and pirated products, and the "I Pledge" Campaign, which encourages consumers not to buy or use pirated and counterfeit goods and not to get involved in Internet piracy activities; collaborating with various organisations in conducting talks, competitions and large-scale promotional events; and supporting a diversified range of publicity and education activities. IPD also produces publicity videos from time to time, and launches activities targeting at schools, such as the interactive drama programmes, visits to primary and secondary schools as well as seminars in tertiary

institutions, etc., to put across the messages of respecting creativity, protecting IP rights and stopping online infringement.

Despite the COVID-19 pandemic and the suspension of face-to-face classes and extra-curricular activities in schools since the beginning of last year, IPD has continued to implement various initiatives to raise the awareness of and respect for IP rights among the younger generation where practicable. In 2020, IPD organised 13 school visits under the school visit programme, interactive drama programmes for 27 schools, and talks in 3 tertiary institutions. IPD also held the “Inter-School Online Intellectual Property Quiz Contest 2020” from October to November 2020, reaching out to over 18 000 primary and secondary school students.

In 2021-22, IPD will continue with the relevant work. Programmes under planning include:

- producing publicity videos for broadcast through different channels;
- producing leaflets for distribution at seminars, exhibitions and schools and for uploading onto the IPD’s website;
- mobilising IP Ambassadors who are law students of the three local universities to assist the University of Hong Kong in producing the “Copyright Classroom” short film series; and
- producing and placing supplements targeted at students in local newspapers.

Promoting the awareness of and respect for IP rights is part and parcel of the overall publicity and education as well as marketing work of IPD. It is therefore difficult to quantify the resources required for such efforts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)208

(Question Serial No. 1370)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development [Note: The question below concerns matters under the policy purview of the Constitutional and Mainland Affairs Bureau (CMAB). The reply was prepared by Invest Hong Kong and vetted by the CMAB.]

Question:

It is mentioned in the Matters Requiring Special Attention in 2021-22 that the department will collaborate with the Constitutional and Mainland Affairs Bureau in establishing the Pan-Greater Bay Area Inward Investment Liaison Group to work with counterparts in the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy. Please advise this Committee of:

- 1) the composition and staffing of the Liaison Group or the additional manpower and expenditure required; and
- 2) the concrete measures to be taken, the relevant timetable and performance indicators.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.:6)

Reply:

Invest Hong Kong (InvestHK) has started discussions with relevant Mainland counterparts on the establishment of the "Pan-Greater Bay Area Foreign Investment Liaison Group" (Liaison Group) with a view to jointly carrying out global investment promotional work and attracting foreign investment. InvestHK proposes to cooperate with Mainland cities of the Greater Bay Area in four major areas, including joint formulation of marketing messages of the Greater Bay Area, joint production of relevant promotional materials, organisation of joint promotional activities, and sharing of investment promotion experiences and case studies. InvestHK will finalise the membership of the Liaison Group and convene the Liaison Group meetings as soon as possible having regard to the comments and suggestions from the counterparts.

In addition, InvestHK has established a dedicated Greater Bay Area Business Development Team on 1 April 2021 through internal re-deployment. The Team will focus on investment promotion and business development in the Greater Bay Area.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)209

(Question Serial No. 1238)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has mentioned in the Budget Speech that once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) from various perspectives such as finance, innovation and technology, culture and creativity and tourism, as well as our unique advantages under “One Country, Two Systems”. The aim is to attract enterprises, investors and talent to Hong Kong. Invest Hong Kong (InvestHK) and overseas Hong Kong Economic and Trade Offices (ETOs) will step up their efforts in this area. In this connection, will the Government inform this Committee of the following:

- a) What are the details of the relevant promotional activities to be organised by InvestHK and ETOs?
- b) InvestHK has stated that it will enhance promotion strategies by leveraging the digital platforms. What are the details?
- c) InvestHK has stated that it will continue to focus investment promotion efforts on priority sectors, with emphasis on the financial services, fintech, transport and logistics sectors, etc. What are the details?
- d) Given the current uncertainty over when the global pandemic will end, how will InvestHK plan its promotional efforts?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 27)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the “new normal”, the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong’s developments, and strengthen the promotion on the successful implementation of “One Country, Two Systems” and Hong Kong’s advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to overseas stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

In addition, in response to the challenges brought by the pandemic, Invest Hong Kong (InvestHK) has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out to investors in both traditional and emerging markets, and attract and assist companies to set up their businesses in Hong Kong. InvestHK will continue to strengthen its online and targeted promotional activities with a view to promoting priority areas (e.g. the Guangdong-Hong Kong-Macao Greater Bay Area

development, innovation and technology and Family Office etc.). In 2021-22, InvestHK will continue to step up its overseas public relations and publicity efforts by engaging the international media, producing online, social media and digital contents, and showcasing successful case studies, in order to promote Hong Kong's business advantages year-round. InvestHK will also organise and support various promotional events in hybrid and virtual formats to promote the priority areas. Its flagship events, StartmeupHK Festival and Hong Kong Fintech Week, will be held in May and November 2021 respectively.

When the pandemic stabilises, the ETOs, ISD, InvestHK, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong.

In 2021-22, InvestHK will continue to adopt a sector-focused approach in attracting overseas and Mainland companies in priority sectors and industries where Hong Kong has a clear competitive edge through its global network of Investment Promotion Units and overseas consultants. Specific target industries include financial services, financial technology, transport and logistics, innovation and technology as well as creative industries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)210

(Question Serial No. 1239)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development [Note: The question below concerns matters under the policy purview of the Constitutional and Mainland Affairs Bureau (CMAB). The reply was prepared by Invest Hong Kong and vetted by the CMAB.]

Question:

The Chief Executive announced in the 2020 Policy Address that the Pan-Greater Bay Area Inward Investment Liaison Group would be established to enable InvestHK and its counterparts in other cities in the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy. In this regard, would the Government advise this Committee of:

- a) when the above Liaison Group will be established and which government departments will join it;
- b) which Greater Bay Area cities will participate in the work of the Liaison Group; and
- c) the concrete work programmes of the Liaison Group and the co-operation among various cities?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.:30)

Reply:

Invest Hong Kong (InvestHK) has started discussions with relevant Mainland counterparts on the establishment of the "Pan-Greater Bay Area Foreign Investment Liaison Group" (Liaison Group) with a view to jointly carrying out global investment promotional work and attracting foreign investment. InvestHK proposes to cooperate with Mainland cities of the Greater Bay Area in four major areas, including joint formulation of marketing messages of the Greater Bay Area, joint production of relevant promotional materials, organisation of joint promotional activities, and sharing of investment promotion experiences and case studies. InvestHK will finalise the membership of the Liaison Group and convene the Liaison Group meetings as soon as possible having regard to the comments and suggestions from the counterparts.

In addition, InvestHK has established a dedicated Greater Bay Area Business Development Team on 1 April 2021 through internal re-deployment. The Team will focus on investment promotion and business development in the Greater Bay Area.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)211

(Question Serial No. 1011)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2021-22, Invest Hong Kong will continue to focus investment promotion efforts on priority sectors, with emphasis on the financial services, fintech, transport and logistics, innovation and technology as well as creative industries sectors. What are the specific plans and measures and the expenditure to be involved? In the last financial year of 2020-21, what were the achievements of promotion efforts in this regard? What was the expenditure involved? Please provide the figures in respect of the priority sectors.

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

Reply:

In 2021-22, Invest Hong Kong (“InvestHK”) will continue to adopt a sector-focused approach in attracting overseas and Mainland companies in priority sectors and industries where Hong Kong has a clear competitive edge through its global network of Investment Promotion Units and overseas consultants. Specific target industries include financial services, financial technology, transport and logistics, innovation and technology as well as creative industries.

InvestHK will continue to work in close partnership with other organisations responsible for promoting Hong Kong overseas, including HKSAR Government’s offices in the Mainland and overseas Economic and Trade Offices, Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation, Cyberport and Create Hong Kong through regular meetings and joint promotion events, as well as to organise seminars for specific sectors and target geographical markets, and sponsor major local and overseas events, with a view to promoting the business opportunities in priority sectors.

In 2020, InvestHK completed a total of 317 projects, including 38 investment projects from financial services, 43 from financial technology, 22 from transport and logistics, 42 from

innovation and technology, 31 from information and communications technology and 27 from creative industries.

InvestHK will continue to leverage digital platforms to reach out to companies in various sectors, and to provide supporting services to companies which have interest in setting up or expanding their businesses in Hong Kong. In 2021-22, InvestHK will continue its efforts in promoting the innovation and technology sector to align with the policy objectives of the Government, and will also continue to strengthen its digital marketing and social media strategies for attracting more Mainland and international companies to set up in Hong Kong.

In 2020-21, the estimated actual expenditure for organising and sponsoring sector-focused events is around \$8 million, while the estimated expenditure for 2021-22 is around \$12.9 million. These figures do not include staff cost, general marketing and promotion expenses and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)212

(Question Serial No. 1099)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2021-22 under this Programme that Invest Hong Kong will, inter alia, continue to attract global startups, scaleups, investors and corporate ventures to set up business in Hong Kong and to promote Hong Kong as a leading hub for startups, scaleups and entrepreneurship. Invest Hong Kong will also continue and expand the StartmeupHK programme to support the startup community and enhance its promotion of the Hong Kong startup ecosystem overseas and in the Mainland. Please inform this Committee of the effectiveness of the relevant work in the past year. What was the expenditure involved? Which global startups have been attracted to start their business in Hong Kong? What are the specific work plans for the new year and in the post-pandemic period? How will Invest Hong Kong promote Hong Kong as a leading hub for startups? What is the focus of promotion and what are the expected types of trades to be attracted to Hong Kong for development? What is the estimated expenditure? Please state in table form.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 31)

Reply:

Invest Hong Kong (“InvestHK”) launched its StartmeupHK programme in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses.

In 2020, InvestHK assisted 50 innovation-driven and technology-driven startups to set up their business operations in Hong Kong. They come from different sectors including innovation and technology, information and communications technology, financial technology, etc.

To track the growth of the startup ecosystem, InvestHK conducted its seventh annual survey in 2020 to poll operators of major co-work spaces, incubators and accelerators in Hong Kong. The results showed that as at November 2020, a total of 3 360 startups were operating in these premises, representing an increase of 50.7% over 2017.

To showcase the vibrant environment of Hong Kong as a leading hub for startups, InvestHK hosts the StartmeupHK Festival every year. Due to the COVID-19 pandemic, the StartmeupHK Festival 2020 went virtual for the first time, comprising keynote speeches, panel discussions, virtual exhibition areas, hackathon, one-to-one business matching meetings and startup pitches. The event hosted 471 speakers from 97 countries and regions, attracting over 180 000 attendees.

In 2021, the StartmeupHK Festival will again be held virtually in May. In addition, InvestHK plans to stage six StartmeupHK Salon virtual events in the Greater Bay Area, Singapore, Mumbai, Brussels, Toronto and Santiago to reach out to potential entrepreneurs.

InvestHK will continue to step up its outreach work to international startup communities through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting various events and working in conjunction with HKSAR Government's offices in the Mainland and overseas Economic and Trade Offices and organisations such as Cyberport and Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major startup hub.

The estimated actual expenditure for conducting the related investment promotion activities for 2020-21 is around \$10 million, while the estimated expenditure for 2021-22 is around \$12.5 million. These figures do not include general marketing and promotion expenses and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)213

(Question Serial No. 1101)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2021-22 that Invest Hong Kong will, inter alia, strengthen global investment promotion efforts and enhance promotion strategies by leveraging the digital platforms to encourage multinational companies, startups, scaleups and family offices to set up or expand their businesses in Hong Kong, including those from the Mainland and Belt and Road markets, so as to capitalise on the business opportunities arising from Greater Bay Area development and the Belt and Road Initiative. Please inform this Committee of the effectiveness of the relevant work in 2020-21. What was the expenditure involved? Please provide specific figures or cases for illustration. What are the specific plans for the coming year? What is the expenditure to be incurred in the implementation of the relevant measures? What is the expected outcome?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 33)

Reply:

Invest Hong Kong (“InvestHK”) conducts marketing campaigns, seminars and investment promotion visits to attract and assist multinational companies to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) development and the Belt and Road Initiative. In 2020, InvestHK completed 317 projects. The revised estimated expenditure for InvestHK on investment promotion work in 2020-21 is \$52 million.

The Mainland, a key engine of global economic growth, is a priority market of InvestHK in attracting investment. InvestHK has been partnering with the Ministry of Commerce of the Central People’s Government, relevant local authorities such as provincial or municipal bureaux of commerce, as well as local industrial and commercial organisations to conduct investment promotion seminars in the Mainland, with a view to introducing to the business sector the competitive edges of Hong Kong. In 2020, InvestHK organised investment promotion activities in Beijing, Chengdu, Guangzhou, Jinan, Nanchang, Ningbo, Tai’an,

Wenzhou, Wuhan, Xiamen and Xi'an to promote Hong Kong as an ideal platform for Mainland companies to invest in overseas markets. We also partnered with the Hong Kong Trade Development Council and other organisations to participate in major trade fairs and conferences held in the Mainland.

To better seize the business opportunities arising from the Greater Bay Area development, in 2021-22, InvestHK will establish the Pan-Greater Bay Area Inward Investment Liaison Group to work with counterparts in other cities of the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy. InvestHK is also planning to organise investment promotion visits and activities in major Mainland cities, and will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to “go global”.

Meanwhile, with the establishment of the Investment Promotion Units in Jakarta in 2018 and in Bangkok in late 2019, InvestHK will strengthen its investment promotion efforts in the Association of Southeast Asian Nations market. InvestHK also maintains liaison with consulates and chambers of commerce to connect with Mainland and overseas companies that have set up in Hong Kong to facilitate their business expansion.

In response to the challenges brought by the COVID-19 pandemic, InvestHK has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out widely to investors in both traditional and emerging markets, and attract and assist companies to set up their businesses in Hong Kong.

The total estimated expenditure for InvestHK on investment promotion work in 2021-22 is \$52 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)214

(Question Serial No. 1324)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2021-22 that Invest Hong Kong (InvestHK) will strengthen global investment promotion efforts and enhance promotion strategies by leveraging the digital platforms to encourage multinational companies, startups, scaleups and family offices to set up or expand their businesses in Hong Kong, including those from the Mainland and Belt and Road markets, so as to capitalise on the business opportunities arising from Greater Bay Area development and the Belt and Road Initiative.

What are the plans for attracting startups worldwide to set up their businesses in Hong Kong? Will additional resources be allocated to facilitate startups to enhance their competitiveness? If yes, what is the estimated expenditure? If no, what are the reasons?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 5)

Reply:

Invest Hong Kong (“InvestHK”) launched its StartmeupHK programme in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses.

In 2020, InvestHK assisted 50 innovation-driven and technology-driven startups to set up their business operations in Hong Kong. They come from different sectors including innovation and technology, information and communications technology, financial technology, etc.

To track the growth of the startup ecosystem, InvestHK conducted its seventh annual survey in 2020 to poll operators of major co-work spaces, incubators and accelerators in Hong Kong. The results showed that as at November 2020, a total of 3 360 startups were operating in these premises, representing an increase of 50.7% over 2017.

To showcase the vibrant environment of Hong Kong as a leading hub for startups, InvestHK hosts the StartmeupHK Festival every year. Due to the COVID-19 pandemic, the StartmeupHK Festival 2020 went virtual for the first time, comprising keynote speeches, panel discussions, virtual exhibition areas, hackathon, one-to-one business matching meetings and startup pitches. The event hosted 471 speakers from 97 countries and regions, attracting over 180 000 attendees.

In 2021, the StartmeupHK Festival will again be held virtually in May. In addition, InvestHK plans to stage six StartmeupHK Salon virtual events in the Greater Bay Area, Singapore, Mumbai, Brussels, Toronto and Santiago to reach out to potential entrepreneurs.

InvestHK will continue to step up its outreach work to international startup communities through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting various events and working in conjunction with HKSAR Government's offices in the Mainland and overseas Economic and Trade Offices and organisations such as Cyberport and Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major startup hub.

The estimated actual expenditure for conducting the related investment promotion activities for 2020-21 is around \$10 million, while the estimated expenditure for 2021-22 is around \$12.5 million. These figures do not include general marketing and promotion expenses and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)215

(Question Serial No. 1326)

Head: (79) Invest Hong Kong

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

Programme: (-) -

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As stated in paragraph 52 of the Budget Speech, once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the Greater Bay Area from various perspectives such as finance, innovation and technology, culture and creativity and tourism, as well as Hong Kong's unique advantages under "One Country, Two Systems". The Government hopes to attract enterprises, investors and talent to Hong Kong. Invest Hong Kong (InvestHK) and the Government's overseas offices will step up their efforts in this area.

What is the estimated expenditure for launching the publicity and promotional campaign at home and abroad? What are the plans of InvestHK and the Government's overseas offices for taking forward the related work?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 7)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the "new normal", the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong's developments, and strengthen the promotion on the successful implementation of "One Country, Two Systems" and Hong Kong's advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to overseas stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO)

was affected since the pandemic outbreak, the ETOs, through their network, continued with their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

In addition, in response to the challenges brought by the pandemic, Invest Hong Kong (InvestHK) has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out to investors in both traditional and emerging markets, and attract and assist companies to set up their businesses in Hong Kong. InvestHK will continue to strengthen its online and targeted promotional activities with a view to promoting priority areas (e.g. the Guangdong-Hong Kong-Macao Greater Bay Area development, innovation and technology and Family Office etc.). In 2021-22, InvestHK will continue to step up its overseas public relations and publicity efforts by engaging the international media, producing online, social media and digital contents, and showcasing successful case studies, in order to promote Hong Kong's business advantages year-round. InvestHK will also organise and support various promotional events in hybrid and virtual formats to promote the priority areas. Its flagship events, StartmeupHK Festival and Hong Kong Fintech Week, will be held in May and November 2021 respectively.

When the pandemic stabilises, the ETOs, ISD, InvestHK, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong.

As the above work is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the ETOs, as well as InvestHK, the expenditure including staff costs and general administration fees has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)216

(Question Serial No. 0581)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development [Note: The question below concerns matters under the policy purview of the Constitutional and Mainland Affairs Bureau (CMAB). The reply was prepared by Invest Hong Kong and vetted by the CMAB.]

Question:

Under this Programme, the matters requiring special attention in 2021-22 include collaborating with the Constitutional and Mainland Affairs Bureau in establishing the Pan-Greater Bay Area Inward Investment Liaison Group to work with counterparts in the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy. In this connection, please advise this Committee of:

1. details about the Pan-Greater Bay Area Inward Investment Liaison Group including its terms of reference, composition and staffing, specific targeted counterparts in the Greater Bay Area, and mode of operation;
2. the estimated expenditure and expenditure items of the Liaison Group; and
3. the Liaison Group's position and working connections in the SAR Government's internal framework for promoting the development of the Greater Bay Area.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 31)

Reply:

Invest Hong Kong (InvestHK) has started discussions with relevant Mainland counterparts on the establishment of the "Pan-Greater Bay Area Inward Investment Liaison Group" (Liaison Group) with a view to jointly carrying out global investment promotional work and attracting foreign investment. InvestHK proposes to cooperate with Mainland cities of the Greater Bay Area in four major areas, including joint formulation of marketing messages of the Greater Bay Area, joint production of relevant promotional materials, organisation of joint promotional activities, and sharing of investment promotion experiences and case studies. InvestHK will finalise the membership of the Liaison Group and convene the Liaison Group meetings as soon as possible having regard to the comments and suggestions from the counterparts.

It is expected that the work of the Liaison Group will not incur substantial expenditure. The expenses incurred by its activity will be absorbed by the envelope of InvestHK.

In addition, InvestHK has established a dedicated Greater Bay Area Business Development Team on 1 April 2021 through internal re-deployment. The Team will focus on investment promotion and business development in the Greater Bay Area.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)217

(Question Serial No. 0582)

Head: (79) Invest Hong Kong

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

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 52 of the Budget, “once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the Greater Bay Area from various perspectives such as finance, I&T, culture and creativity and tourism. InvestHK and our overseas offices will step up their efforts in this area.” In this connection, please advise this Committee of the following:

When will the aforementioned large-scale overseas publicity and promotional campaign be launched this year? What are the details of the campaign, including the time, venue, activities and estimated expenditure?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 32)

Reply:

The HKSAR Government places high importance to external engagement, and has ceaselessly conducted external engagement work in the past year. Under the “new normal”, the HKSAR Government continued to establish various platforms to further disseminate the latest information on Hong Kong’s developments, and strengthen the promotion on the successful implementation of “One Country, Two Systems” and Hong Kong’s advantages on various fronts, rebuilding the confidence of the international community in Hong Kong.

Since the pandemic outbreak, the HKSAR Government continued to actively conduct external promotion work in different formats. Apart from meeting with and proactively engaging Consuls-General in Hong Kong and individual major foreign chambers of commerce, principal officials also participated in interviews by overseas media in Hong Kong to clarify and rectify negative or biased reports to overseas stakeholders. Although external promotion work of the overseas Hong Kong Economic and Trade Offices (ETO) was affected since the pandemic outbreak, the ETOs, through their network, continued with

their external engagement work through different channels, such as issuing letters to overseas stakeholders in different sectors, publishing articles and responses in a number of local media, and organising and participating in webinars, etc, to provide interlocutors with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. From June 2020 to end-February 2021, the ETOs have organised around 20 webinars for the Chief Executive and principal officials to directly engage overseas audience to provide them with the latest information on Hong Kong and promote Hong Kong's developments on various fronts. In particular, the Chief Executive highlighted Hong Kong's unique advantages for doing business and shared prospects for overseas firms establishing in Hong Kong during an online dialogue in February this year with more than 700 entrepreneurs and business executives from different corners of continental Europe. The Secretary for Commerce and Economic Development, the Secretary for the Environment, and the Secretary for Financial Services and the Treasury also joined the webinar. The HKSAR Government will continue to engage overseas audience through webinars, and explore opportunities for closer collaboration under the "new normal" to enhance exchanges with overseas stakeholders.

To help expedite Hong Kong's economic recovery, the HKSAR Government will make preparations for external promotion work in post-pandemic era, stepping up efforts and resources in conducting overseas promotion in order to rebuild Hong Kong's international image. The Information Services Department (ISD) commissioned a public relations (PR) consultancy through open tender in June 2020. The PR consultancy has carried out a local and international baseline research to understand current perceptions of Hong Kong's key global stakeholders. Based on the research findings, the ISD is working with the PR consultancy to develop a communications strategy, phased plan and messaging, as well as a marketing and advertising plan and collaterals to help rebuild confidence in Hong Kong as a place in which to invest, do business, work and live. Separately, the Hong Kong Tourism Board (HKTB) has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong's international exposure and attract visitors to choose Hong Kong as their travel destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry. In the long run, HKTB will reinvent Hong Kong's tourism image to capture high-yield visitor segments.

In addition, in response to the challenges brought by the pandemic, Invest Hong Kong (InvestHK) has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out to investors in both traditional and emerging markets, and attract and assist companies to set up their businesses in Hong Kong. InvestHK will continue to strengthen its online and targeted promotional activities with a view to promoting priority areas (e.g. the Guangdong-Hong Kong-Macao Greater Bay Area development, innovation and technology and Family Office etc.). In 2021-22, InvestHK will continue to step up its overseas public relations and publicity efforts by engaging the international media, producing online, social media and digital contents, and showcasing successful case studies, in order to promote Hong Kong's business advantages year-round. InvestHK will also organise and support various promotional events in hybrid and virtual formats to promote the priority areas. Its flagship events, StartmeupHK Festival and Hong Kong Fintech Week, will be held in May and November 2021 respectively.

When the pandemic stabilises, the ETOs, ISD, InvestHK, the Hong Kong Trade Development Council, etc., will, in line with the overall promotion strategy of the HKSAR Government, collaborate with relevant organisations, chambers of commerce, and professional bodies to roll out key promotion events in various places around the world, including conferences, seminars, cultural and arts performances, exhibitions, film festivals, sports events, etc. They will actively provide local interlocutors and enterprises with the latest information on Hong Kong's business environment, promote Hong Kong's unique status under "One Country, Two Systems", Hong Kong's advantages on various fronts, as well as the immense business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to encourage local enterprises to conduct business and invest in Hong Kong.

As the above work is implemented by existing manpower and is a part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, the ETOs, as well as InvestHK, the expenditure including staff costs and general administration fees has been subsumed under the overall estimated expenditure and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)218

(Question Serial No. 1264)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong (InvestHK) is responsible for attracting and retaining foreign direct investment. It places emphasis on attracting companies in priority sectors with the potential to contribute to Hong Kong's economic development, and encouraging multinational companies to locate their global or regional headquarters and other strategic functions in Hong Kong.

Please advise this Committee of:

- (1) the details of foreign direct investment leaving Hong Kong and multinational companies relocating their regional headquarters elsewhere in 2020-21 in view of the social, political and legal incidents and economic prospects of Hong Kong, as well as the details and effectiveness of the Government's efforts in retaining foreign direct investment; and
- (2) regarding the companies in the priority sectors (in particular financial services, transport and logistics, innovation and technology as well as creative industries sectors) with the potential to contribute to Hong Kong's economic development which InvestHK emphasises on attracting, the identification criteria, the details and effectiveness of the incentives offered, the number of such companies operating in Hong Kong, and their contribution to the growth and diversification of Hong Kong's economy.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 61)

Reply:

Investment decisions of setting up overseas operations by multinational companies are affected by a host of macro- and micro-economic factors, as well as conditions which are unique to the companies themselves. Rarely would just one or two factors drive such decisions.

To gauge the number of overseas and Mainland companies in Hong Kong, Invest Hong Kong (“InvestHK”) and the Census and Statistics Department conduct the Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong. According to the latest survey conducted in June 2020, there were a total number of 9 025 overseas and Mainland companies in Hong Kong, broadly the same as in 2019, which all together employed some 483 000 persons.

The COVID-19 pandemic inevitably affected investment sentiment. Some investors have put their investment plans on hold, whilst some see new opportunities arising from challenging times.

To respond to the challenging environment posed by the pandemic, InvestHK has been dynamically adjusting its promotion strategies by leveraging digital platforms to reach out to investors in both traditional and emerging markets and attract and assist companies to set up businesses in Hong Kong. InvestHK has also stepped up aftercare services to support existing overseas and Mainland companies in Hong Kong and their parent companies, including extending the scope of its aftercare programme to the headquarters of these companies outside Hong Kong. These efforts affirm Hong Kong’s commitment to supporting foreign investors. To strengthen the confidence of international investors in Hong Kong, InvestHK will continue to keep in close contact with prospective investors and promote the unique strengths and advantages of Hong Kong as well as the long-term business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

Furthermore, through the global network of Investment Promotion Units and overseas consultants, InvestHK focuses on attracting companies in priority sectors where Hong Kong has a clear competitive edge, including financial services, financial technology, transport and logistics, innovation and technology and creative industries. We identify companies in these sectors using criteria such as a company’s market positioning or reputation, whether it is in growth or expansion mode, and its interest in Asia, etc. A wide variety of data sources and networks underpin this process.

The Government has offered various incentives in recent years to boost the development of priority sectors, for instance by introducing profits tax rate reduction of 50% for specified treasury activities, tax concession for qualifying aircraft lessors, enhanced tax deduction for qualified research and development expenditure, setting up a \$3 billion Research Matching Grant Scheme, and injecting \$9.5 billion into the Innovation and Technology Fund by two yearly instalments. In the process of attracting prospective investors, and also as part of our aftercare services, InvestHK appraises the companies concerned of relevant funding schemes, incentives and other support from the Government and relevant organisations like the Hong Kong Science and Technology Parks Corporation, Cyberport, Hong Kong Productivity Council and research institutes.

In 2020, InvestHK completed 317 projects, including 38 projects from financial services, 22 from transport and logistics, 42 from innovation and technology, 31 from information and communications technology and 27 from creative industries. Together, the 317 projects involved direct investment of more than \$18.1 billion, creating about 8 000 jobs within the first year of operation or expansion.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)219

(Question Serial No. 1766)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that Invest Hong Kong and the Government's overseas offices will step up their efforts in promoting Hong Kong. Please inform this Committee of the following:

- (1) As stated in the analysis on page 679 of the Controlling Officer's Report, this is mainly due to the increased provisions for strengthening global investment promotion and related work, bolstering investment promotion efforts in the Greater Bay Area, and enhancing support to startups. However, according to the indicators under the key performance measures on page 677, foreign direct investment inflow into Hong Kong has recorded a declining trend from 2017 to 2019. Will the Government advise this Committee of whether the increased provisions can help reverse the continuous declining trend of direct investment and what is the estimated growth?
- (2) In a survey conducted in 2020, the Census and Statistics Department successfully surveyed 9 025 regional headquarters, regional offices and local offices in Hong Kong with parent companies located outside Hong Kong (collectively known as "foreign companies"). Among the foreign companies successfully surveyed, 4% planned to phase out or relocate outside Hong Kong part or all of their business in Hong Kong, while another 21% were uncertain about their business plans in Hong Kong. In this connection, will the Government increase the dedicated budget so as to focus on strengthening the aftercare services for the existing foreign companies in Hong Kong? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 316)

Reply:

In the Controlling Officer's Report of Invest Hong Kong ("InvestHK"), the indicators of key performance measures are the numbers of new projects generated, as well as projects completed. In the past five years, the numbers of new and completed projects by InvestHK

are tabulated below. All the relevant figures have been rising, except for a drop in 2020 due to the impact of the COVID-19 pandemic.

	2016	2017	2018	2019	2020
No. of new projects generated	764	806	843	947	671
No. of completed projects	391	402	436	487	317

The figures of foreign direct investment (“FDI”) inflow into Hong Kong in the Controlling Officer’s Report serve as a general reference on the investment environment that InvestHK operated under. As Hong Kong is a major international financial centre and home to conglomerates with subsidiaries outside Hong Kong, FDI inflow into Hong Kong may be affected by a range of factors not directly related to productive investment. Examples include cross-border real estate investment made by non-Hong Kong companies, inter-company lending between Hong Kong companies and their overseas affiliates, etc. Therefore, figures of FDI inflow into Hong Kong are not indicators of key performance measures for InvestHK.

According to the forecast of the United Nations Conference on Trade and Development, global FDI will fall by 42% in 2020 and FDI flows will remain weak in 2021. Against the backdrop of global macro-economic challenges and keen global competition for FDI, InvestHK, working alongside other government bureaux and departments and relevant organisations, is committed to stepping up its promotion efforts to attract more companies to set up or expand their businesses in Hong Kong, by leveraging digital platforms and conducting online meetings and roundtables with global business leaders to introduce to them the latest business environment and government policies in Hong Kong.

It is an important part of InvestHK’s investment promotion work to provide aftercare services to companies which it has previously assisted as well as other major overseas and Mainland companies which have established operations in Hong Kong, so as to keep track of their development and help them seize opportunities to grow, expand and create jobs in Hong Kong.

To enhance its aftercare services, InvestHK has allocated additional resources and set up a dedicated team to develop systematic programme to conduct one-to-one outreach to companies in a structured manner. The programme includes holding strategic discussions with key personnel to help them consider and evaluate new areas and opportunities for growth, particularly those arising from the Guangdong-Hong Kong-Macao Greater Bay Area development, the Belt and Road Initiative and innovation and technology development.

InvestHK's aftercare programme also extends to meetings with the headquarters of companies concerned. Such meetings affirm Hong Kong's commitment to supporting foreign investors and to maintain the confidence of the senior management to continue their businesses in Hong Kong. We will also further strengthen engagement with consulates and international business chambers.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)220

(Question Serial No. 1808)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2020, Invest Hong Kong (InvestHK) continued to conduct an ongoing marketing campaign, aimed at promoting Hong Kong as an ideal platform for Mainland companies to go global, with promotions in major Mainland cities such as Beijing, Chengdu, Guangzhou, Jinan, Nanchang, Ningbo, Tai'an, Wenzhou, Wuhan, Xiamen and Xi'an. Please advise this Committee of the following:

1. What were the manpower and expenditure involved in the related activities during the year?
2. How does InvestHK decide which Mainland cities should be selected for launching an ongoing marketing campaign? What are the factors to be considered? Will adjustment and change be made to the choice of cities at regular or irregular intervals?
3. Among the Mainland cities mentioned above, two cities have been selected from each of Zhejiang province and Shandong province. What are the reasons for InvestHK to choose two inland cities in Shandong province, namely Jinan and Tai'an, for launching promotions? What were the results of previous promotions?
4. Regarding the effectiveness of promotions carried out in various major Mainland cities, what were the specific details in the past 3 years? Please elaborate with concrete data.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 73)

Reply:

At the end of each year, Invest Hong Kong ("InvestHK") draws up the list of locations for carrying out its ongoing marketing campaigns in the Mainland in the coming year. Apart from major Mainland cities, the investment promotion units ("IPUs") in HKSAR Government's offices in the Mainland select suitable Mainland cities for conducting investment promotion through closely liaising with the relevant agencies of provincial and

municipal governments and local industrial and commercial organisations and monitoring the development and outward investment potential of various cities, and at the same time taking into account the investment opportunities brought by major national policy developments (such as the 14th Five-Year Plan, the Belt and Road Initiative, etc.). The IPU actively promote Hong Kong’s investment environment and business advantages in the selected Mainland cities to attract local companies to invest in Hong Kong. Taking Shandong Province as an example, last year InvestHK organised promotion activities in Jinan, the capital city of the Province, as well as Tai’an, a city with huge development potential. The two events attracted a total of over 350 participants.

InvestHK has been partnering with the Ministry of Commerce of the Central People’s Government, other relevant local authorities such as provincial and municipal bureaux of commerce, as well as local industrial and commercial organisations to conduct investment promotion activities in the Mainland, with a view to introducing to the local business sector the competitive edges of Hong Kong. Relevant data of the promotion events conducted by InvestHK in the Mainland in the past three years are as follows:

Year	No. of events	Mainland Cities involved	No. of participants	No. of completed projects from the Mainland
2018	16	Beijing, Chengdu, Chongqing, Fuzhou, Guangzhou, Hefei, Nanjing, Shanghai, Urumqi, Wuhan, Xiamen and Zhengzhou	Over 1 300	101
2019	13	Changchun, Changsha, Chengdu, Chongqing, Hangzhou, Hohhot, Jinan, Kunming, Nanjing, Wuhan, Xiamen and Xi’an	Over 1 000	120
2020	13	Beijing, Chengdu, Guangzhou, Jinan, Nanchang, Ningbo, Tai’an, Wenzhou, Wuhan, Xiamen and Xi’an	Over 2 400 (including online and offline participants)	79*

* The figure in 2020 dropped due to the COVID-19 pandemic.

The organisation of investment promotion activities in the Mainland is part of the overall investment promotion work of InvestHK and its Mainland IPUs. The relevant staff costs and expenses cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)221

(Question Serial No. 2258)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There will be an estimated 2 directorate posts as at 31 March 2021 and as at 31 March 2022. What are the reasons for the increase in the directorate posts and the main responsibilities of these posts? What is the expenditure on salaries involved?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 29)

Reply:

There are two civil service directorate posts in the establishment of Invest Hong Kong, which are the Director-General of Investment Promotion and the Associate Director-General of Investment Promotion. These two civil service directorate posts were created when InvestHK was established in 2000 and are not new posts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)222

(Question Serial No. 2268)

Head: (79) Invest Hong Kong

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

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development [Note: The question below concerns matters under the policy purview of the Constitutional and Mainland Affairs Bureau (CMAB). The reply was prepared by Invest Hong Kong and vetted by the CMAB.]

Question:

One of the matters requiring special attention in 2021-22 is to collaborate with the Constitutional and Mainland Affairs Bureau in establishing the Pan-Greater Bay Area Inward Investment Liaison Group to work with counterparts in the Greater Bay Area to develop holistic and joint inward investment propositions with a view to enhancing synergy.

- 1) What are the composition of the Liaison Group and its work programmes for this financial year? What are the estimated expenditures involved? InvestHK had carried out joint investment promotion with Mainland cities at overseas countries in the past. Will the department implement relevant programmes in the new financial year? If yes, what are the details; if no, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.:41)

Reply:

Invest Hong Kong (InvestHK) has started discussions with relevant Mainland counterparts on the establishment of the "Pan-Greater Bay Area Inward Investment Liaison Group" (the Liaison Group) with a view to jointly carrying out global investment promotional work and attracting foreign investment. InvestHK proposes to cooperate with Mainland cities of the Greater Bay Area in four major areas, including joint formulation of marketing messages of the Greater Bay Area, joint production of relevant promotional materials, organisation of joint promotional activities, and sharing of investment promotion experiences and case studies. InvestHK will finalise the membership of the Liaison Group and convene the Liaison Group meetings as soon as possible having regard to the comments and suggestions from the counterparts.

It is expected that the work of the Liaison Group will not incur substantial expenditure. The expenses of its activities will be absorbed by the envelope of InvestHK.

Due to the COVID-19 epidemic, InvestHK has no specific plans for conducting joint overseas investment promotion activities with the Mainland cities in 2021-22. Nevertheless, InvestHK will continue to maintain communication with the Mainland cities and discuss with them the specific arrangements of activities at a suitable juncture, with regard to the epidemic situation. In addition, InvestHK has planned to hold an online Greater Bay Area Promotion Conference with the Department of Commerce of Guangdong Province and the Macao Trade and Investment Promotion Institute in 2021. Experts and business leaders will be invited to share the latest developments and opportunities in the Greater Bay Area to promote the business opportunities in the Greater Bay Area.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1245)

Head: (168) Hong Kong Observatory
Subhead (No. & title): (-) -
Programme: (1) Weather Services
Controlling Officer: Director of the Hong Kong Observatory (Dr CHENG Cho-ming)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under the Programme that the Hong Kong Observatory (HKO) will develop and provide new services on nowcasting and forecasting of high-impact weather; continue to strengthen efforts in public communication and education, outreach and social media services on high-impact weather to enhance public awareness of and preparedness for natural disasters and impacts of climate change; and conduct trial to enhance observation of inclement weather and special weather phenomena (such as hail) via crowdsourcing from the public. In this connection, will the Government inform this Committee of the following:

- a) how accuracy in localised heavy rain forecasts will be enhanced so as to expeditiously and accurately inform members of the public in the affected regions of the points to note;
- b) the form and content of the new services on nowcasting and forecasting of high-impact weather planned to be provided in the coming year;
- c) the efforts and effectiveness of strengthening public communication and education, outreach and social media services over the past year; and
- d) the practicable means to conduct trial to enhance observation of inclement weather and special weather phenomena via crowdsourcing from the public?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 6)

Reply:

In 2021-22, the Hong Kong Observatory (HKO) plans to launch the “Localised Heavy Rain Advisory” service, which will make reference to recorded rainfall and rainfall forecasts from its nowcasting system to advise members of the public of localised heavy rain as early as possible and facilitate their early preparation. The new service will replace the existing “Announcement on Localised Heavy Rain” service.

In March 2021, HKO has launched “Probability of Significant Rain” forecasts to provide the public with the predicted probability of daily cumulative rainfall reaching 10 millimetres or above generally over Hong Kong in the coming nine days. HKO will continue to improve the forecasting techniques of its nowcasting system by applying latest technologies such as artificial intelligence and machine learning models.

In 2020-21, HKO continued to make use of its Facebook page to enhance public awareness of weather and climate issues and promote understanding of various geophysical phenomena and HKO’s services through text, photos and videos. HKO also continued to use the Instagram platform mainly to share photos and videos, especially on weather and atmospheric optical phenomena of interest to the public, meteorological instruments and other relevant information. As at early March 2021, HKO’s Facebook Page and Instagram account have attracted over 230 000 and 37 000 followers respectively. HKO also continued to utilise various social media platforms including YouTube, Twitter, Sino Weibo and WeChat to provide weather services (including weather programmes, weather reports, warnings of hazardous weather and earthquake messages), as well as to promote weather observation and meteorological education.

In 2020-21, HKO conducted 12 online talks on climate change to enhance public understanding of climate change and its impacts. An "Online Video Course on Weather Observation" was also launched on HKO’s website to introduce basic weather observation methods and techniques. The talks and course attracted over 180 000 views in total. Additionally, HKO made available 100 meteorology quiz worksheets on the online Hong Kong Education City Resources Depository to facilitate senior primary and junior secondary students’ learning amid the pandemic. HKO also organised an online polling campaign “2016-2020 Top 10 Mind-boggling Weather and Climate Events Selection”, which aimed to raise public awareness of climate change and extreme weather. The activity attracted over 5 000 voters.

A new feature will be added to HKO’s mobile application “MyObservatory” to allow users to report special weather phenomena such as hail, lightning, tornado, etc.. HKO weather forecasters will make reference to such reports.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)224

(Question Serial No. 1643)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (Dr CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In coming year, the Hong Kong Observatory will improve the in-house developed nowcasting software for severe weather and enhance sharing of the software with the overseas weather services as a Regional Specialized Meteorological Centre for Nowcasting designated by the World Meteorological Organization. It is known that the nowcasting software, namely SWIRLS, had provided forecast support in major international events, including the Beijing 2008 Olympics, the Expo 2010 Shanghai China and the 2010 Commonwealth Games. The software is also provided to the meteorological services in various countries and regions for trial use and is one of the world's leading nowcasting systems. Please provide:

According to information, the Observatory will continue to improve and enhance the performance of the system through continuous research and development. So far, is the relevant improvement and research development work still in progress? During the period, how much resources and manpower have been deployed, and has any progress been made? If so, has the new development overcome the limitation of radar data collection and what are the details?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 23)

Reply:

The Hong Kong Observatory (HKO) strives to improve the forecasting techniques of the nowcasting system SWIRLS continuously by applying latest technologies such as artificial intelligence and machine learning models. HKO is currently developing more advanced nowcasting techniques for SWIRLS using meteorological satellite data to expand the geographical coverage and forecast period of severe weather forecasting, as well as to support the work of HKO as a Regional Specialized Meteorological Centre for Nowcasting of the World Meteorological Organization. The work arising from the implementation of the above measures will continue to be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for HKO. It is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1648)

Head: (168) Hong Kong Observatory
Subhead (No. & title): (-) -
Programme: (1) Weather Services
Controlling Officer: Director of the Hong Kong Observatory (Dr CHENG Cho-ming)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming financial year, the Hong Kong Observatory (HKO) will continue to implement urban-scale weather monitoring and forecasting (including setting up microclimate stations) and develop forecasting products in support of initiatives under the Smart City Blueprint.

1. What are the details of the work plans with regard to these two aspects? What are the specific timetables as well as the resources and manpower involved respectively?
2. The HKO plays an active role in supporting the plan for smart city development. By setting up microclimate stations at its headquarters and other locations across the city, it collects weather data within a small area for analysis of urban microclimates and weather change to facilitate big data analytics. How many microclimate stations have been set up in total thus far? What are their respective locations? Have any medium- and long-term targets been set for the initiative? What is the detailed plan for big data analytics?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 28)

Reply:

The Hong Kong Observatory (HKO) commenced a pilot project in 2018 to develop a weather monitoring system suitable for the climate and high-density urban environment of Hong Kong. The pilot study received \$8.2 million from the TechConnect (Block Vote) under the Innovation and Technology Bureau. At present, HKO has set up a total of 26 microclimate stations in Yau Tsim Mong, Kowloon City and Shatin. They are mainly located at parks, schools, public facilities and government premises.

HKO plans to develop experimental urban-scale weather forecast products (such as forecasts related to air temperature, relative humidity, air pressure) by means of data analysis, computer forecasting model and machine learning model. HKO will explore the sharing of microclimate data with the public to support climate-related applications and big

data analysis. The work will continue to be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for HKO. It is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)226

(Question Serial No. 0866)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (Dr CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Cold Weather Warning, please advise on the respective figures on Cold Weather Warnings issued by the Hong Kong Observatory in the past 3 years (2018-19 to 2020-21), and the figures on those involving reported death of or damage to vegetables and fish. Please also provide the respective dates of warnings issued and reports received.

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 28)

Reply:

The number and dates of Cold Weather Warnings issued by the Hong Kong Observatory in the past three years (2018-19 to 2020-21) are as follows:

	Number of Cold Weather Warnings issued and relevant dates	Number of times involving reported loss of crops or death of fish [#]	Dates of report [#]
2018-19	1 (28 December 2018 to 2 January 2019)	Crops : 0 Fish : 0	-
2019-20	3 (4 to 8 December 2019) (26 January to 1 February 2020) (15 to 19 February 2020)	Crops : 0 Fish : 0	-

	Number of Cold Weather Warnings issued and relevant dates	Number of times involving reported loss of crops or death of fish [#]	Dates of report [#]
2020-21 (up to end of February)	5 (16 to 17 December 2020) (19 to 21 December 2020) (29 December 2020 to 3 January 2021) (7 to 15 January 2021) (17 to 19 January 2021)	Crops : 3 Fish : 4	4 January 2021 13 January 2021 15 January 2021 11 January 2021 19 January 2021 25 January 2021 28 January 2021

[#] Figures provided by the Agriculture, Fisheries and Conservation Department.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)227****(Question Serial No. 2438)**Head: (168) Hong Kong ObservatorySubhead (No. & title): (-) -Programme: (1) Weather ServicesControlling Officer: Director of the Hong Kong Observatory (Dr CHENG Cho-ming)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Will the Government provide the expenditure involved for the website of the Hong Kong Observatory (including its mobile website, "Weather Wizard" and mobile application "MyObservatory") over the past 3 years, with a breakdown by year and by expenditure items?

How many times have the "Weather Wizard" and mobile application "MyObservatory" been downloaded over the past 3 years? (Please give a breakdown by year)

Asked by: Hon OR Chong-shing, Wilson (LegCo internal reference no.: 77)

Reply:

The operation of the website of the Hong Kong Observatory (HKO) (including mobile website), "Weather Wizard" and mobile application "MyObservatory" is part of HKO's day-to-day work. The work will continue to be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for HKO. It is difficult to quantify such expenditure separately.

The approximate download figures for the "Weather Wizard" and mobile application "MyObservatory" in the past three years (2018 to 2020) are as follows:

	"Weather Wizard"	Mobile application "MyObservatory"
2018	3 400	700 000
2019	2 300	470 000
2020	2 100	570 000

In the past three years (2018 to 2020), the HKO website has been visited about 163 billion times annually.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)228

(Question Serial No. 1367)

Head: (181) Trade and Industry Department

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

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2021-22, it is mentioned that the Department will “continue to take actions in accordance with the World Trade Organization (WTO) Dispute Settlement Mechanism against the revised origin marking requirement implemented by the United States (US) Government on imported products originating from Hong Kong”. The WTO Dispute Settlement Body (DSB) agreed at its meeting on 22 February to Hong Kong’s request to establish a “panel” to consider the dispute raised by Hong Kong with respect to the violation of WTO rules by the US’ new requirement on origin marking for Hong Kong products. Please advise if the Government has set aside resources to follow up and cope with the relevant consideration work.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 3)

Reply:

Pursuant to the request of Hong Kong, the World Trade Organization (WTO) Dispute Settlement Body at its meeting on 22 February established a panel to consider the dispute raised by Hong Kong with respect to the violation of WTO rules by the US’ new requirement on origin marking for Hong Kong products. We will deploy existing resources for the relevant work, including participating in the review work of the panel.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1369)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2021-22, it is mentioned that TID would enhance promotion and outreach to Small and Medium Enterprises (SMEs) to provide support services on funding applications. Please advise:

- 1) How much manpower and expenditure will be allocated in total for the relevant promotion work?
- 2) TID indicates that it will, in the coming year, closely monitor the global and domestic economic environment and the impact of any changes in the environment on Hong Kong enterprises, in particular SMEs. Owing to the impact of the recent pandemic and the deterioration of the domestic economic environment, will TID have other specific arrangements in the coming year in addition to the recent Government relief measures in response to the pandemic?
- 3) The estimate is \$166.1 million higher than last year. In the document, it is mentioned that the increase is mainly due to the increased cash flow requirements for funding schemes. Please provide the calculation of the increased cash flow requirements in the increased estimates, and the specific details of the funding schemes.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 5)

Reply:

The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department (TID), the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications

through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs) to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the SME Export Marketing Fund (EMF), for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

The provisions under Programme (3) are for meeting the expenditure of the various funding schemes under TID and the operational expenses relating to Programme (3). The annual estimated expenditure of the funding schemes is calculated based on the estimated cash flow requirements for projects approved/expected to be approved for the year.

The Government expects that upon implementation of the new round of enhancement measures to the BUD Fund and the EMF, the number of applications received, the number of applications approved, the funding amount approved and the number of beneficiaries under the two funding schemes will all increase, and the relevant cash flow requirements will also increase.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the Trade and Industrial Organisation Support Fund in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0480)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (3) Support for Small and Medium Enterprises and Industries, the Trade and Industry Department administers several funding schemes, including the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing Fund (EMF) and the Trade and Industrial Organisation Support Fund (TSF) to assist Hong Kong enterprises in exploring markets and enhancing their competitiveness. Will the Government please advise the Committee by itemising in details on how these funding schemes were implemented over the past year under the COVID-19 pandemic and global economic downturn? What was the amount of expenditure and how many small and medium enterprises (SMEs) were benefited? What sectors were mainly involved? What is the implementation plan for 2021-22? What is the estimated expenditure and how many SMEs would be benefited?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 1)

Reply:

The Government attaches great importance to the development of small and medium enterprises (SMEs), and review the various support measures from time to time in response to the economic situation in order to provide timely and due support to SMEs.

Our work in the past year

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- The Government injected \$2 billion into the BUD Fund, and has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment

from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- The Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures since January 2020, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has provided online application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, Trade and Industry Department (TID) provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.
- The overall implementation progress of the above funding schemes in 2020 is as follows:

	EMF	BUD Fund	TSF
Number of applications approved	10 764	909	28
Number of beneficiaries	5 750	843	Not applicable ^{Note}
Amount of grants approved by the Government (\$)	240 million	602 million	55 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics	1. Wholesale and Retail 2. Import and Export Trade 3. Textiles and Clothing	1. Cross-sector 2. Aircraft and Automotive Parts 3. Food and Beverage Manufacturing

Note : The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Effectiveness

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year. Due to the COVID-19 outbreak, many local and overseas exhibitions and business missions were cancelled or postponed. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

Plans for 2021-22

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong’s leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs’ understanding of the Government’s funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the TSF in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME

centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)231

(Question Serial No. 0488)

Head: (181) Trade and Industry Department

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

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of trade support and facilitation, the matters which the Trade and Industry Department will pay special attention to in 2021-22 include liaising closely with the Mainland authorities and local traders on the Mainland issues of significant impact on business operations, helping to reflect the trade's concerns to the relevant Mainland authorities, and collaborating with the Mainland authorities to support Hong Kong enterprises to promote their products and services to the Mainland market. How effective was the related work in the past financial year under the pandemic? On what issues were Mainland authorities liaised with or referred to, particularly on matters affecting small and medium enterprises? What specific work has been carried out? Please advise on the expenditure by itemising. How will such work be implemented in the new financial year and what are the specific measures and targets? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 9)

Reply:

The Trade and Industry Department (TID) maintains close liaison with the trade through various channels so as to keep abreast of the trade's concerns and views, as well as to enhance the trade's understanding of the Mainland's latest trade policies, legislation and business environment. TID also maintains close liaison with the Mainland authorities to relay to them the trade's views and to discuss with them support measures for the trade. In 2020-21, TID issued in total about 550 circulars relating to the Mainland's latest economic and trade policies, encompassing the latest developments in respect of regulations relating to the implementation of the Foreign Investment Law, support measures for small and medium enterprises, measures relating to tax policies, labour and social security, etc. TID's website also includes a dedicated page on economic and trade information of the Mainland, with about 200 hyperlinks to the economic and trade websites established by Mainland authorities, so as to facilitate Hong Kong enterprises to get access to economic and trade information of the Mainland on a single platform.

In 2021-22, in addition to continuing to implement the above-mentioned measures, TID will actively support the Hong Kong Trade Development Council's initiatives to help Hong Kong enterprises promote domestic sales (such as the one-stop "GoGBA" platform), and continue to maintain close liaison with the relevant Mainland authorities to support Hong Kong enterprises to promote their products and services to the Mainland market.

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

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0489)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The financial provision for the Trade and Industry Department under Programme (3) Support for Small and Medium Enterprises and Industries is 22.6% lower than the revised estimate for 2020-21. What are the details? Provision for 2021-22 is \$166.1 million (16.1%) higher than the revised estimate for 2020-21. This is mainly due to the increased cash flow requirements for funding schemes. What are the details?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 10)

Reply:

The Government attaches great importance to the development of small and medium enterprises (SMEs), and review the various support measures from time to time in response to the economic situation in order to provide timely and due support to SMEs.

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs) to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the SME Export Marketing Fund (EMF), for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by Hong Kong Trade Development Council and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

The provisions under Programme (3) are for meeting the expenditure of the various funding schemes under Trade and Industry Department and the operational expenses relating to Programme (3). The annual estimated expenditure of the funding schemes is calculated based on the estimated cash flow requirements for projects approved/expected to be approved for the year. The revised estimate for 2020-21 is 22.6% lower than the original estimate. This is mainly attributable to the cancellation or postponement of many local and overseas exhibitions and business missions due to the COVID-19 outbreak. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

The Government expects that upon implementation of the new round of enhancement measures to the BUD Fund and the EMF, the number of applications received, the number of applications approved, the funding amount approved and the number of beneficiaries under the two funding schemes will all increase, and the relevant cash flow requirements will also increase.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the Trade and Industrial Organisation Support Fund in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to Hong Kong Productivity Council for operating the BUD Fund, and funding disbursed to the grantees).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)233

(Question Serial No. 1100)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The aim of the work of the Trade and Industry Department (TID) under this programme is to support and facilitate the development of Hong Kong's small and medium enterprises (SMEs) and industries. Would the Government please advise this Committee of its specific work and resources or expenses on facilitating the development of Hong Kong's industries in the past year? What are the new work plans for facilitating the development of Hong Kong's industries in 2021-22? What is the expenditure involved? Meanwhile, in recent years, a number of SMEs who have set up factories in foreign countries or the Mainland intend to relocate back to Hong Kong for development to re-establish the "Made in Hong Kong" brand. However, the impact of the epidemic in the past year and the trade relations between China and the US affected Hong Kong's manufacturing industries and export sector. How will the Government provide support to these SMEs and industries? What are the specific measures? What are the resources to be allocated?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 32)

Reply:

Trade and Industry Department (TID) supports and facilitates the development of Hong Kong's small and medium enterprises (SMEs) and industries by providing financial support, expanding Hong Kong's Free Trade Agreement (FTA) network, facilitating the trade in applying for Certificate of Hong Kong Origin, maintaining close communication with the trade, and enhancing promotion efforts.

Regarding financial support, TID implements funding schemes to assist enterprises in developing markets and enhancing their overall competitiveness as follow:

Our work in the past year

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- The Government injected \$2 billion into the BUD Fund, and has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed FTAs; increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- The Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures since January 2020, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has provided online application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, TID provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.
- The overall implementation progress of the above funding schemes in 2020 is as follows:

	EMF	BUD Fund	TSF
Number of applications approved	10 764	909	28
Number of beneficiaries	5 750	843	Not applicable ^{Note}
Amount of grants approved by the Government (\$)	240 million	602 million	55 million

	EMF	BUD Fund	TSF
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics	1. Wholesale and Retail 2. Import and Export Trade 3. Textiles and Clothing	1. Cross-sector 2. Aircraft and Automotive Parts 3. Food and Beverage Manufacturing

Note : The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Effectiveness

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year. Due to the COVID-19 outbreak, many local and overseas exhibitions and business missions were cancelled or postponed. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

Plans for 2021-22

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong’s leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong

Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the TSF in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

Other SME support measures

The Government actively expands Hong Kong's FTA network in order to secure more favourable conditions, including preferential tariff treatment, for goods of Hong Kong origin to enter the Mainland and international markets. So far, Hong Kong has signed eight FTAs with 20 economies, including the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) signed with the Mainland. TID proactively liaises with chambers of commerce, professional bodies and industry organisations, etc. to introduce the details of the new liberalisation measures under CEPA and related implementation arrangements through various channels (such as organising online and offline briefing sessions and setting up a dedicated website). TID also from time to time exchanges views with the trade on Factory Registration and Certificate of Origin services with a view to providing appropriate facilitation measures to meet the operational needs of the trade.

TID liaises closely with the trade and business associations, and meets with SMEs to discuss measures in response to issues of their concern. We also tap the trade's views on issues affecting their development and support measures for them through various advisory boards including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)234

(Question Serial No. 1122)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2021-22, one of the tasks of the Trade and Industry Department (TID) under this programme is to implement programmes to support enterprises, particularly the small and medium enterprises (SMEs), with a view to enhancing their competitiveness. Would the Government please advise this Committee what efforts has TID made in this area over the past year? Please advise on the expenditure involved by itemising in details. How will the Government implement the relevant work in the new 2021-22 financial year, especially for restarting the economy after the pandemic is over? What are the details? What are the specific measures? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 51)

Reply:

The Government attaches great importance to the development of small and medium enterprises (SMEs), and review the various support measures from time to time in response to the economic situation in order to provide timely and due support to SMEs.

Our work in the past year

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- The Government injected \$2 billion into the BUD Fund, and has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- The Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures since January 2020, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has provided online application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, Trade and Industry Department (TID) provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.
- The overall implementation progress of the above funding schemes in 2020 is as follows:

	EMF	BUD Fund	TSF
Number of applications approved	10 764	909	28
Number of beneficiaries	5 750	843	Not applicable ^{Note}
Amount of grants approved by the Government (\$)	240 million	602 million	55 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics	1. Wholesale and Retail 2. Import and Export Trade 3. Textiles and Clothing	1. Cross-sector 2. Aircraft and Automotive Parts 3. Food and Beverage Manufacturing

Note: The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One

of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Effectiveness

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year. Due to the COVID-19 outbreak, many local and overseas exhibitions and business missions were cancelled or postponed. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

Plans for 2021-22

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong's leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure of the BUD Fund, the EMF and the TSF in 2021-22 is estimated to be \$1.04 billion (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees). The expenditure of SME ReachOut in 2021 is estimated to be around \$10 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)235

(Question Serial No. 0378)

Head: (181) Trade and Industry Department

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

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department is responsible for overseeing the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and its subsidiary agreements, including the amendment agreement to the Agreement on Trade in Services (Amendment Agreement) which has come into effect in June 2020. The agreement further opens up the Mainland market to Hong Kong enterprises and professionals of various professional aspects such as the construction and engineering sectors. In this regard, please advise:

1. The resources and manpower that the Government will deploy in 2021-22 and the major measures to be adopted to facilitate the implementation of the agreement;
2. Has the Government formulated specific proposals to co-operate with professional sectors in Hong Kong such as the construction and engineering sectors, with a view to enhancing promotion and publicity of the agreement, as well as to consult the trade on how to effectively implement and enrich the relevant content of CEPA before discussing with the Mainland authorities? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 40)

Reply:

The amendment agreement to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) Agreement on Trade in Services has been smoothly implemented since 1 June 2020. The Government attaches great importance to the implementation of the amendment agreement. The Trade and Industry Department (TID) has been collaborating with relevant policy bureaux and departments to work closely with the Mainland authorities at central, provincial and municipal levels, and have made use of the established mechanisms with the Ministry of Commerce to actively facilitate the use of CEPA liberalisation measures in the Mainland by Hong Kong enterprises. TID has been proactively liaising with chambers of commerce, professional bodies and industry

organisations to introduce to the trade details of the new liberalisation measures under the amendment agreement through various channels, with a view to strengthening the trade's understanding of the new liberalisation measures and related implementation arrangements.

As regards the construction and related engineering services sectors, TID co-organised with the Development Bureau a webinar in June 2020 to introduce relevant new liberalisation measures under CEPA to members of the Hong Kong Institution of Engineers, the Hong Kong Institute of Architects, the Hong Kong Institute of Surveyors, the Hong Kong Institute of Planners and the Hong Kong Institute of Landscape Architects. On the other hand, in order to facilitate the trade, TID has set up a dedicated website on CEPA which provides an information database on services by sectors. Hong Kong enterprises and professionals can refer to the database for the latest liberalisation measures and relevant Mainland rules and regulations of their respective areas, as well as frequently asked questions, so that they can utilise CEPA to develop their Mainland businesses. The trade can also enquire about CEPA issues or specific cases through TID, which will collaborate with the policy bureaux concerned and follow up with the Mainland authorities.

TID and relevant policy bureaux consult the trade through professional bodies and industry organisations from time to time. We will continue to discuss with the Mainland authorities measures to enrich the content of CEPA, so as to assist the trade in further exploring the Mainland market, and deepen the co-operation and mutual development between the two places in different services sectors.

The estimated expenditure and staffing establishment of the relevant work have been subsumed under the estimated expenditure and staffing establishment of TID in 2021-22, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)236

(Question Serial No. 0309)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Export Marketing Fund (EMF):

- a) What are the number of applications received, number of applications approved and the average amount of grant for each project in the past 5 years?
- b) In the past 5 years, how much expenditure did the Trade and Industry Department spend on the promotion and effectiveness review of the EMF? In 2021-22, what are the promotion plan and estimated expenditure breakdowns for the EMF?
- c) Has the Government followed up those approved cases and assessed their effectiveness so as to continuously enhance the usage of the Fund? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 210)

Reply:

The current-term Government has injected a total of \$2 billion into the SME Export Marketing Fund (EMF), and launched rounds of enhancement measures, including increasing the cumulative funding ceiling per enterprise successively, from \$200,000 to \$400,000, and then further to \$800,000; increasing the funding ceiling per application from \$50,000 to \$100,000; and introducing an initial payment of up to 75% of the approved government funding.

The number of applications received, the number of applications approved and the average amount of grants for applications approved under the EMF in the past five years are as follows:

	2016	2017	2018	2019	2020
Number of applications received	11 387	10 895	11 757	16 246	11 215
Number of applications approved	9 614	8 532	9 025	11 919	10 764
Average amount of grants for applications approved (\$)	16,500	15,900	18,500	25,100	22,300

The EMF has been conducting on-going surveys of beneficiaries since February 2018. According to the findings of the surveys, about 95% and 97% of the respondents are satisfied with the EMF and consider that the EMF has helped strengthen their marketing activities respectively. Apart from conducting surveys, we have also been maintaining close liaison with the trade through various channels so as to listen to their views and suggestions concerning the operation of the EMF.

The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department (TID), the SME Centre of Hong Kong Trade Development Council (HKTDC), SME One of Hong Kong Productivity Council and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

To support enterprises in conducting local market promotion activities through both online and offline avenues, as well as to maintain Hong Kong’s leading position as the hub for large-scale merchandise exhibitions, the Chief Executive announced in the 2020 Policy Address a proposal to further enhance the EMF, for a period of two years, including expanding the funding scope from exhibitions specifically aiming at markets outside Hong Kong to large-scale exhibitions organised by organisers with good track record targeting the local market; as well as virtual exhibitions organised by HKTDC and reputable exhibition organisers with good track record; and relaxing the eligibility criteria to cover non-SMEs.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs’ understanding of the Government’s funding schemes through various promotion

channels, with a view to encouraging better utilisation of the support provided by the Government. TID will continue to closely monitor changes in the market as well as the needs of enterprises and review the operation of the EMF to provide appropriate and timely support to enterprises. The expenditure of the EMF in 2021-22 is estimated to be \$290 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)237

(Question Serial No. 0568)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Dedicated Fund on Branding, Upgrading and Domestic Sales:

- a) What are the number of applications received, number of applications approved and the average amount of grant for each approved project in the past 5 years?
- b) In the past 5 years, how much expenditure did the Trade and Industry Department spend on the promotion and effectiveness review of the Fund? In 2021-22, what are the promotion plan and estimated expenditure breakdowns for the Fund?
- c) Has the Government followed up those approved cases and assessed their effectiveness so as to continuously enhance the usage of the Fund? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 211)

Reply:

The current-term Government has injected a total of \$3.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and launched rounds of enhancement measures, including extending the geographical coverage from the Mainland to the member states of the Association of Southeast Asian Nations (ASEAN), and then further to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise successively, from \$0.5 million to \$2 million, and then further to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding.

The number of applications received, the number of applications approved and the average funding amount approved under the BUD Fund in the past five years are as follows:

	2016	2017	2018	2019	2020
Number of applications received ^{Note}	625	578	1 082	1 721	3 521
Number of applications approved	390	343	480	722	909
Average amount of grants for applications approved (\$)	266,000	358,900	454,300	584,100	662,300

Note: Applications received may not be processed in the same year. The figures also include applications that could not be processed due to lack of necessary information and those voluntarily withdrawn by enterprises.

Up to end February 2021, 1 144 projects were completed under the BUD Fund. According to the findings of the project completion surveys, around 99% of the responding enterprises consider the BUD Fund effective in assisting their business development. Enterprises also generally considered that the projects helped enhance the awareness of their brands, improve product quality, develop new products, establish sales networks, enhance their overall competitiveness and increase sales turnover. Apart from conducting surveys, we have also been maintaining close liaison with the trade through various channels so as to listen to their views and suggestions concerning the operation of the BUD Fund.

The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of Trade and Industry Department (TID), the SME Centre of Hong Kong Trade Development Council, SME One of Hong Kong Productivity Council (HKPC) and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

To support enterprises in exploring more diversified markets, the Financial Secretary announced in the 2021-22 Budget a proposal to further inject \$1.5 billion into the BUD Fund, thereby increasing the cumulative funding ceiling per enterprise from \$4 million to \$6 million; and extending the geographical coverage from 20 economies with which Hong Kong has signed FTAs to 37 economies with which Hong Kong has signed FTAs and/or Investment Promotion and Protection Agreements.

In 2021-22, the Government will continue to assist enterprises in developing markets and enhancing their overall competitiveness through the various funding schemes, and enhance

SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. TID will continue to closely monitor changes in the market as well as the needs of enterprises and review the operation of the BUD Fund to provide appropriate and timely support to enterprises. The expenditure of the BUD Fund in 2021-22 is estimated to be \$687 million (including the implementation fees provided to HKPC for operating the BUD Fund, and funding disbursed to the grantees).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)238

(Question Serial No. 2028)

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Has the Trade and Industry Department (TID) deployed any financial resources and manpower under Programme (3) to keep abreast of the business performance of Hong Kong's small and medium enterprises (SMEs)? If yes, please advise the number of SMEs in Hong Kong which has ceased business and gone into liquidation, the support measures that the Government implemented, as well as the manpower and expenditure involved in the course of keeping abreast of such issues and implementing the measures in the past year so as to assess the working effectiveness.

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 320)

Reply:

Small and medium enterprises (SMEs) are the backbone of Hong Kong's economy. According to Census and Statistics Department, there were 343 313 SMEs in Hong Kong as at September 2020, comprising enterprises operating under different modes (such as incorporation, partnership and sole-proprietorship) and having substantive business operation and employing staff in Hong Kong. The figure is similar to that of September 2019 (339 678 SMEs). According to the Official Receiver's Office and Companies Registry, 234 and 902 companies went into compulsory liquidation and voluntary liquidation respectively in 2020. We do not have statistics on the number of SMEs that have ceased operation or those that have gone into liquidation.

Trade and Industry Department (TID) has been providing comprehensive support to SMEs, including implementation of funding schemes and provision of information to enhance their competitiveness and facilitate their long-term development.

Our work in the past year

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

- The Government injected \$2 billion into the BUD Fund, and has implemented a number of enhancement measures since January 2020, including extending the geographical coverage from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN), to all 20 economies with which Hong Kong has signed Free Trade Agreements (FTAs); increasing the cumulative funding ceiling per enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding, to help enterprises enhance competitiveness.

SME Export Marketing Fund (EMF)

- The Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures since January 2020, including increasing the cumulative funding ceiling per enterprise from \$400,000 to \$800,000; and introducing an initial payment of up to 75% of the approved government funding, to help enterprises develop markets outside Hong Kong.
- On improving funding application arrangement, the Government has provided online application services under the BUD Fund and the EMF since 2020 so that enterprises can submit applications conveniently. The Government has also enhanced the application process and experience under the BUD Fund through a design thinking approach, to provide enterprises with user-friendly and lucid application information, and help enterprises develop their project plans.
- Moreover, TID provides funding support through Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.
- The overall implementation progress of the above funding schemes in 2020 is as follows:

	EMF	BUD Fund	TSF
Number of applications approved	10 764	909	28
Number of beneficiaries	5 750	843	Not applicable ^{Note}
Amount of grants approved by the Government (\$)	240 million	602 million	55 million

	EMF	BUD Fund	TSF
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics	1. Wholesale and Retail 2. Import and Export Trade 3. Textiles and Clothing	1. Cross-sector 2. Aircraft and Automotive Parts 3. Food and Beverage Manufacturing

Note : The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

- The Government will continue to provide “four-in-one” integrated services through the consolidated four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of Hong Kong Trade Development Council, SME One of Hong Kong Productivity Council and TecONE of Hong Kong Science and Technology Parks Corporation), so that enterprises can obtain the necessary information on all funding schemes at any service point. A dedicated service team entitled SME ReachOut has also commenced operation since January 2020 to help SMEs identify suitable funding schemes and answer questions relating to applications through face-to-face meetings. During the epidemic, we have strengthened promotion of the funding schemes and provided other relevant information such as the relief measures under the Anti-epidemic Fund through various channels including collaboration with the media in conducting publicity and organisation of online and offline promotional activities.

Effectiveness

The number of applications and funding amount approved for the BUD Fund in 2020 increased respectively by 26% and 43% year-on-year. Due to the COVID-19 outbreak, many local and overseas exhibitions and business missions were cancelled or postponed. As a result, the number of applications and funding amount approved for the EMF in 2020 decreased respectively by 10% and 20% year-on-year.

The manpower and expenditure for implementing the above-mentioned funding schemes are subsumed under TID’s overall establishment and expenditure, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)239

(Question Serial No. 2265)

Head: (181) Trade and Industry Department

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

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Brian LO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under section 4(1) of the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) (the Regulation), made under the Prevention and Control of Disease Ordinance (Cap. 599), any person or category of persons may be designated for exemption from the compulsory quarantine arrangement, including personnel of Hong Kong enterprises with manufacturing operations in the Mainland.

So far, how many applications have been received and processed by the Department? What is the average time required to complete the processing of applications from the time of submission? Will it consider expediting or streamlining the application procedures?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 36)

Reply:

In accordance with section 4(1) of the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) (the Regulation), the Trade and Industry Department (TID) implements two quarantine exemption schemes for Hong Kong enterprises with manufacturing operations in the Mainland.

The first exemption scheme commenced on 18 March 2020, covering “the owner of a company with factory/factories in the Mainland which are engaged in manufacturing goods for supply to Hong Kong for its normal operation or for the daily needs of the people of Hong Kong, or personnel employed and so authorised by the company”. The second exemption scheme commenced on 4 May 2020, covering “the owner of an enterprise with a valid business registration certificate issued under the Business Registration Ordinance (Cap. 310) and with manufacturing operations in the Mainland, or personnel employed and so authorised by the enterprise”. Under the two exemption schemes, up to two persons of each eligible Hong Kong enterprise will be exempted, and they must comply with the specified exemption conditions. As at end February 2021, TID received a total of more than 17 670 applications for the two exemption schemes and processed about 17 620 applications.

TID has set up an online platform to expedite and streamline the application procedures. For applications submitted through the online platform of TID, if the relevant information and supporting documents are all in order, TID would generally complete the vetting within a few working days and notify the applicant of the result of the application in writing. The actual processing time for each application will depend on the number of applications received by TID, the complexity of the application, and whether the applicant has submitted all the required information and supporting documents, etc.

- End -