

立法會
Legislative Council

LC Paper No. CB(1)2123/02-03
(These minutes have been seen
by the Administration)

Ref : CB1/PL/FA/1

Panel on Financial Affairs

**Minutes of special meeting held on
Monday, 12 May 2003 at 11:30 am
in the Chamber of Legislative Council Building**

Members present : Hon Ambrose LAU Hon-chuen, GBS, JP (Chairman)
Hon Henry WU King-cheong, BBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Eric LI Ka-cheung, JP
Hon NG Leung-sing, JP
Hon James TO Kun-sun
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Dr Hon Philip WONG Yu-hong
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, JP
Hon MA Fung-kwok, JP

Non-Panel Members : Dr Hon David CHU Yu-lin, JP
attending Ir Dr Hon Raymond HO Chung-tai, JP
Hon Fred LI Wai-ming, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon LAU Ping-cheung

- Members absent** : Hon Kenneth TING Woo-shou, JP
Dr Hon David LI Kwok-po, GBS, JP
- Public officers attending** : Mr Antony LEUNG
Financial Secretary
- Miss Yvonne CHOI
Director of Information Services
- Miss Ophelia TSANG
Associate Director-General of Investment Promotion
- Clerk in attendance** : Ms Connie SZETO
Chief Assistant Secretary (1)4
- Staff in attendance** : Ms Pauline NG
Assistant Secretary General 1
- Ms Rosalind MA
Senior Assistant Secretary (1)9
- Ms Christina SHIU
Legislative Assistant

Action

- I Briefing by the Financial Secretary on the approach for re-launching Hong Kong in relation to the outbreak of the atypical pneumonia**
(LC Paper No. CB(1)1658/02-03)

Briefing by the Administration

At the Chairman's invitation, the Financial Secretary (FS) briefed members on the overall approach for "communicating Hong Kong's recovery" following the containment of the Severe Acute Respiratory Syndrome (SARS) outbreak. He advised that to relieve the impact of SARS, the Chief Executive announced on 23 April 2003 an economic relief package of a sum of \$11.8 billion among which \$1 billion had been set aside to relaunch Hong Kong and move its economy back to its original development track. For this purpose, two bodies had been established: the Economic Relaunch Strategy Group (ERSG) to give advice on the strategic approach; and the Economic Relaunch Working Group (ERWG) to oversee and coordinate the implementation of the various economic relaunch programmes. The Administration was soliciting views and comments from

Members of the Legislative Council (LegCo) and different sectors of the community on specific measures with a view to coming up with proposals within two weeks for the consideration of ERSG. He stressed that full participation of the business sectors and the community would be necessary in moving the economy back to the development track.

2. The Director of Information Services (DIS) briefed members on the three phases Hong Kong would undergo: Response, Reassurance and Recovery. She pointed out that these three phases were not clear-cut in time and might overlap with one another. Hong Kong was in the Response phase at present and would enter into the Reassurance phase and Recovery phase upon the lifting of the travel advisory. She then highlighted the major messages, parties involved and initial ideas on activities for the three phases and invited members' views.

Discussion with members

Campaign for relaunching the economy

3. Mr TAM Yiu-chung commented that the community expected the Administration to announce its detailed plan to relaunch Hong Kong's economy instead of providing a briefing on the overall approach. He urged the Administration to put forward concrete proposals to seek the views of LegCo Members and the general public. Mr NG Leung-sing shared Mr TAM's view and sought information on the details of the proposed publicity and promotional activities, including the implementation schedule, expenses, participating parties and the expected results.

4. In reply, FS explained that the Administration was involving the entire community in mapping out plans for relaunching the economy. The Administration would solicit the views of LegCo Members and different sectors of the community shortly and provide the proposed framework for consideration of ERSG in two weeks' time. Details of the individual programmes would be worked out at a later stage.

5. Mr CHAN Kam-lam opined that the Administration should respond to the economic consequences of SARS outbreak expeditiously and ensure that the relaunching campaign would be ready in, say, one week's time. Pointing out that the spread of SARS had been basically put under control, Mr CHAN opined that the Administration should make the promotional and publicity programmes ready for timely implementation upon the lifting of the travel advisory to revive the economy and restore Hong Kong's international image.

6. Sharing members' views, Dr Raymond HO said that the community was expecting concrete and vigorous measures to relaunch Hong Kong's economy such as shelving expenditure cutting proposals for achieving fiscal balance by 2006-07. Mr James TIEN expressed support for the overall approach of the

campaign and commented that instead of acting as a coordinator, the Government should take a leading role in the campaign while mobilizing various sectors of the community to participate. He considered that concrete programmes should be ready for implementation expeditiously upon the lifting of the travel advisory to maximize the publicity effect.

7. ES reiterated that Government's priority was given to the containment of the spread of SARS. The Administration recognized the importance of having the relaunching programmes ready for implementation once the time was ripe. However, the publicity and promotional activities in moving the economy back to its normal track would only be effective if they were launched at the right timing, i.e. when there was general confidence in Hong Kong as a safe city to visit. Premature relaunching efforts would only be counter-productive.

Stimulating local consumption market

8. Responding to the comments of Mr CHAN Kam-lam and Mr David CHU on measures to encourage local consumption and relaunch local economy, ES said that the Administration would take into consideration proposals from various sectors of the community with a view to adopting the more widely supported activities.

9. Mr LEE Cheuk-yan opined that while timely implementation of the publicity activities would be crucial, the Administration should consider more innovative and effective measures to relaunch the economy. He suggested to stimulate local consumption through encouraging spendings in the hard-hit business sectors. ES agreed that during the Response and Reassurance phases, the major activities should target at Hong Kong people. He advised that before promoting Hong Kong internationally, efforts should be made to encourage Hong Kong people to come out again and resume their normal economic activities.

10. While agreeing with Mr LEE's view of encouraging local consumption, Mr SIN Chung-kai opined that this could be effective in relaunching the economy given the recent change in people's habit of spending weekends in Hong Kong instead of going across the border to Shenzhen. Mr Fred LI pointed out that the number of visitors could not rebound within a short period after the lifting of the travel advisory. Hence, he agreed that efforts should be made to rebuild the confidence of Hong Kong people and to boost local consumption. Mr Albert HO concurred and suggested that large scale carnivals be organized to pass on the message that Hong Kong was free from the threat of SARS and had returned to its normal track.

11. ES agreed with members' views and reiterated that during the Reassurance phase, programmes would be focused on the local economy. Efforts would be stepped up to launch publicity and promotional programmes targeted at overseas visitors and business sectors when Hong Kong was moving onto the Recovery

phase.

Resources allocated for the relaunching campaign

12. Mr NG Leung-sing expressed concern about the effectiveness of the relaunching campaign as from past experience regular promotional activities had not been very effective in publicizing the mission of the Government. He also doubted whether the sum of \$1 billion would be adequate. Ms Emily LAU shared the concern about the adequacy of resources.

13. ES pointed out that the main objective of the campaign was to rebuild the confidence of visitors and investors both locally and worldwide, and send out the message that Hong Kong was a safe, interesting and profitable place for tour as well as for business. He reiterated that participation of business sectors and the whole community would be necessary for the success of the campaign. As such, apart from public resources, resources from the private sector would be mobilized for support of various activities.

14. Ms Emily LAU opined that while mobilizing private sector resources for the campaign, the Administration should consider allocating more resources for implementing economic relief measures to ease hardship of the public and affected business sectors. In response, ES pointed out that in view of the worsening fiscal deficit problem, the Administration had to be cautious in the use of public resources. It was necessary to strike a balance between providing measures to relieve and relaunch the economy and controlling government expenses for eliminating the deficit problem.

15. Mr MA Fung-kwok considered that the sum of \$1 billion for the relaunching campaign, if used properly, would be more effective in helping the economy than spending \$10.8 billion for undertaking economic relief measures. Mr James TIEN opined that allocating more public resources might not necessarily contribute to enhancing the effectiveness of the campaign.

Composition and work of the two relaunching bodies

16. In response to Ms Emily LAU's enquiry, ES advised that ERWG was composed of Government officials including secretaries of relevant bureaux and heads of departments to prepare for and oversee implementation of programmes while ERSG was formed with representatives of relevant sectors, major chambers of commerce, academics, think-tanks and relevant Government officials to advise on measures to relaunch Hong Kong.

17. Mr LEE Cheuk-yan pointed out that the Chinese titles of ERWG and ERSG might be misleading given that the term "振興經濟" would have meaning of stimulating the economy while the main task of the two groups was to relaunch Hong Kong and restore its international image. ES took note of the view and

agreed to explore more appropriate Chinese titles to reflect the work of ERWG and ERSG.

(Post-meeting note: The Chinese titles of ERWG and ERSG were revised to "重建經濟活力工作小組" and "重建經濟活力策略小組" respectively.)

Cooperation between Hong Kong and the Mainland

18. Ms Emily LAU agreed that timely implementation of publicity and promotional activities was necessary for achievement of the desired effect. Given the frequent contacts between Hong Kong and the Mainland, Ms LAU doubted whether the campaign would be effective if the spread of SARS had not been contained in other neighbouring Mainland cities. Dr Raymond HO expressed similar concern and asked what measures the Administration would take if the travel advisory against Hong Kong were lifted but the spread of SARS in Guangdong were not effectively contained.

19. FS appreciated members' concern and assured that the Administration would continue to cooperate and liaise with the Mainland in this respect. In the circumstance that the travel advisory against Hong Kong were lifted but not for the Guangdong Province, Hong Kong would need to step up health check control measures at border control points to prevent the import of SARS through incoming visitors. In this connection, Dr Raymond HO said that the Hong Kong Institution of Engineers was willing to offer technical advice in strengthening cross boundary infection control measures.

20. Mr NG Leung-sing enquired whether the Administration would expedite discussion on the Closer Economic Partnership Arrangement (CEPA) between the Mainland and Hong Kong and arrangements to facilitate Mainland tourists to visit Hong Kong. Mr LAU Ping-cheung also expressed concern about the impact of SARS outbreak on the progress of discussion on CEPA.

21. In response, FS advised that while the proposed campaign aimed at moving Hong Kong's economy back to its normal track of development, other efforts of the Administration to promote economic link and tourism between Hong Kong and the Mainland would continue. The relaunch Hong Kong campaign would be complementary to these on-going efforts. He advised that the Administration endeavoured to reach an agreement on the main parts of CEPA by June 2003.

Other measures for relaunching the economy

22. Mr Abraham SHEK remarked that the Administration had not provided sufficient details of the relaunching campaign so as to demonstrate to the community that the proposed measures would be effective and efficient. Apart from paying tribute to medical and healthcare workers as heroes in combating

SARS, Mr SHEK considered that every Hong Kong citizen had an important role to play in the fight and were heroes as well. He suggested that the message of Hong Kong being a safe place to visit and to do business should be passed on through publicizing Hong Kong people were fearless and had stopped wearing face masks.

23. Mr SIN Chung-kai suggested that emphasis be put on promoting trade fairs to be held in Hong Kong and sending a positive message to the business community that Hong Kong was back to normal. Mr MA Fung-kwok supported promoting trade fairs and further suggested that priority be accorded to launch publicity programmes on the hard-hit sectors. Promotional activities would include international sports events such as dragon boat race.

24. In reply to Mr MA Fung-kwok 's enquiry on plans for local celebration and the visit programme by international political and business celebrities, ES advised that the Administration would assume a coordinating role in these programmes, to mobilize efforts of various sectors and relevant organizations in organizing the events.

25. Mr Albert HO opined that the Administration should consider measures to step up cleansing and building management work to improve the living environment of Hong Kong. Moreover, he suggested that the Administration should organize international medical conferences to share its experience and research findings relating to the control of SARS.

26. Mr James TO opined that special appeal programmes should be organized to promote Hong Kong and publicize its success in overcoming the SARS crisis in order to send out the message worldwide. These could take the form of celebration events and interview reports with expatriates who had returned to Hong Kong after the lifting of the travel advisory. He also expressed concern about the investigation of the Administration's handling of SARS outbreak and commented that the investigation should be conducted by an independent panel.

27. Sharing the view, Mr LEE Cheuk-yan opined that the publicity strategy should be clear and focused, as well as emphasizing that Hong Kong's situation as distinct from other cities in the Mainland. In response, DIS assured members that the Information Services Department would work out an effective and well coordinated media and publicity programme, responding to the concerns of overseas media strategically and expeditiously.

28. Responding to Dr Raymond HO's enquiry, ES advised that the third-party experts to be mobilized during the Reassurance Phase would include experts in the medical, health care and scientific fields such as from the World Health Organization. The intention was to pass on the message internationally that Hong Kong had successfully contained the disease and was a safe place to visit.

II Any other business

29. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 1
Legislative Council Secretariat
30 June 2003