

**Programmes or initiatives
to facilitate business operation or promote business development in Hong Kong**

CB(1) 2457/03-04(01)

Commerce, Industry and Technology Bureau

CITB/1	Consultations with the Central People's Government (CPG) on the setting up of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA)	To seek better access into the Mainland market for Hong Kong service and manufacturing industries, and to facilitate trade and investment between Hong Kong and the Mainland.	<p>The HKSAR Government and the CPG signed the main parts and the six Annexes of CEPA on respectively 29 June 2003 and 29 September 2003. Key liberalisation measures under CEPA came into effect on 1 January 2004.</p> <p>On trade in goods, the Mainland has agreed to eliminate tariffs on imported goods of Hong Kong origin by stages. A total of 374 Mainland product codes meeting CEPA rules of origin enjoy zero tariff from 1 January 2004.</p> <p>On trade in services, the CEPA provides for liberalisation in market access in 18 sectors, namely, accounting, advertising, audiovisual services, banking, convention and exhibition services, distribution, freight forwarding agency, insurance, legal, logistics, management consulting services, medical and dental services, real estate and construction services, securities, storage and warehousing services, transport, tourism services and telecommunications.</p>
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With regard to **trade and investment facilitation**, both sides agree on promoting co-operation in the following seven areas: customs clearance; quarantine and inspection of commodities, quality assurance and food safety; small and medium-sized enterprises; Chinese medicine and medical products; electronic commerce; trade and investment promotion; and transparency in law and regulations.

The CEPA adopts a building block approach. It provides a mechanism for further liberalisation measures to be included as and when they are agreed by both parties. The HKSAR will continue to engage the Mainland authorities in discussion of further liberalization and greater market access for Hong Kong companies into the Mainland market.

CITB/2	Participation in the new round of multilateral trade negotiations, launched at the 4 th World Trade Organisation (WTO) Ministerial Meeting in Doha in November 2001	To strive for further liberalization in services and goods trade so as to bring about more business opportunities for our service and manufacturing industries in our external markets.	<p>Substantive negotiations are underway in the WTO. We have been actively taking part in the negotiations with a view to promoting and safeguarding our trade and economic interests. For negotiations on trade in services, around 40 WTO members have so far tabled their initial offers on liberalisation. Hong Kong, China has also submitted its offers in April 2003.</p> <p>To further contribute to the multilateral trading system and the new round negotiations, Hong Kong will be hosting the next WTO Ministerial Meeting. The exact timing of this major international event has yet to be decided by the WTO, but we are making preparations for it to take place in the second half of 2005.</p>
CITB/3	To develop a world-class exhibition centre in Chap Lap Kok	To provide an additional 66,000m ² to 100,000m ² of net exhibition space in a new facility to meet the needs of the exhibition industry.	The new facility is planned for opening in end 2005.

CITB/4	Operating four funding schemes for SMEs with total amount of \$1.9 billion	To help SMEs secure loans to purchase business installations and equipment and to meet working capital needs, provide training for employers and employees, expand markets and enhance the competitiveness of SMEs in general or in specific sectors.	As at 3 July 2004, 71,067 applications have been approved under the four funding schemes, involving more than \$4,751 million of grants/guarantees.
CITB/5	Implementing more than 30 support measures for SMEs as recommended by the Small and Medium Enterprises Committee	To provide support for SMEs in six areas, namely business environment, financing, corporate governance and culture, human resources, technology application, and market expansion.	The support measures have already been put in place or are being implemented by the Government in collaboration with support organizations and other relevant parties.
CITB/6	Review of import and export licensing requirements for transshipment cargoes	To reduce or streamline licensing requirements with a view to removing unnecessary burden on the trade, thereby fostering the development of Hong Kong as a logistics hub.	Action completed. The Import and Export (Facilitation) Bill 2003 was passed by LegCo on 29 October 2003 to provide for the licensing relaxation measures for nine categories of articles.

CITB/7	<p>Provision of facilitative clearance service for air-land inter-modal transshipment cargo arriving in the Hong Kong International Airport to various designated points in the Mainland via the Lok Ma Chau Control Point</p>	<p>To streamline customs clearance procedures and provide one-stop clearance service for air-land inter-modal transshipment cargo, thereby ensuring the speedy movement of cargo and promoting Hong Kong as a major regional logistics hub.</p>	<p>Action completed.</p> <p>C&ED has been offering one-stop clearance service for air-land inter-modal transshipment cargo since August 2000 for several air cargo operators. C&ED will work with other air cargo operators interested in using the service.</p>
CITB/8	<p>Provision of facilitative clearance service for inter-modal transshipment cargo handled at the Marine Cargo Terminal (MCT) :</p> <ul style="list-style-type: none"> ● Air-sea transshipment cargo between the Hong Kong International Airport and the Pearl River Delta ports; and ● Sea-sea transshipment cargo from Pearl River Delta ports to Kwai Chung Container Terminal for export. 	<p>To streamline customs clearance procedures and provide one-stop clearance service for air-sea and sea-sea inter-modal transshipment cargo, thereby ensuring the speedy movement of cargo and promoting Hong Kong as a major regional logistics hub.</p>	<p>Action completed.</p> <p>C&ED has been offering one-stop clearance service for sea-to-air inter-modal transshipment cargo since April 2001. Sea-sea inter-modal transshipment service was launched in August 2002, and air-to-sea inter-modal transshipment service was launched in September 2002.</p>

CITB/9	Provision of facilitative clearance service for sea-land inter-modal transshipment cargo between Kwai Chung Container Terminal and the land boundary control points	To provide one-stop clearance service for inter-modal transshipment containers plying between Kwai Chung Container Terminal and the land boundary control points, thereby ensuring the speedy movement of cargo and facilitating trade.	The project proponent has suspended the sea-land inter-modal trucking service project and is now studying the application of e-seal technology for monitoring cross-boundary cargo movements and for enhancing cargo security.
CITB/10	Establishment of a one-stop website to provide all relevant information on cargo clearance matters in Hong Kong	To facilitate traders and the general public to obtain information on cargo clearance matters.	Action completed. The website commenced operation on 31 December 2001. The website has been well received, with over 1 000 visits each month.
CITB/11	Appointment of two additional service providers for provision of front-end Government Electronic Trading Services (GETS) for processing certain official trade-related documents from 2004	To introduce market competition in processing certain trade-related documents for the Government upon the expiry of the franchise of Tradelink in end 2003.	Action completed. We awarded a service contract to a new service provider (Global e-Trading Services Limited) in March 2003, and it launched its first GETS service on 1 January 2004. Separately, we signed service contracts with Tradelink Electronic Commerce Limited for its continued provision of services after 2003.

CITB/12	Introduction of electronic data interchange service for cargo manifest submission	To facilitate air, sea and rail cargo carriers in the submission of cargo manifests through electronic means to various Government departments.	<p>Action completed.</p> <p>The electronic services for submission of cargo manifests in the air, rail, river and ocean modes of transport (EMAN) was launched on 11 April 2003. In view of the smooth run-in of services and satisfactory take-up rates in the air and rail sector, full migration to electronic submission of manifests in respect of air and rail modes will take effect from 17 July 2004.</p>
CITB/13	Introduction of electronic data interchange service for processing dutiable commodities permits (DCPs)	To facilitate traders of dutiable commodities in submitting applications and obtaining approvals for dutiable commodities permits electronically.	<p>Action completed.</p> <p>Since the implementation of mandatory submission of DCPs by electronic means in July 2002, the processing time for a permit has been substantially reduced from two working days to half a working day.</p>
CITB/14	Introduction of electronic data interchange service for the Textiles Trader Registration Scheme (TTRS)	To facilitate the trade by allowing electronic submission of export, import and transshipment notifications.	<p>Action completed.</p> <p>The electronic service for TTRS was launched in May 2003. Traders are given an option to submit TTRS to the Trade and Industry Department either in paper form or electronic mode.</p>

CITB/15	Re-engineering the process concerning registration of intellectual property rights	<p>To simplify, speed-up and reduce costs to applicants in trademark application, hearing and registration procedures.</p> <p>To remove restrictions on assignment and licensing of trademarks.</p> <p>To allow parallel importation of trademarked goods, provided their condition is not changed or impaired, with a view to developing a freer market with more choices.</p>	<p>Action completed.</p> <p>On 4 April 2003, the new Trade Marks Ordinance and Trade Marks Rules came into operation. The new legislation have simplified and expedited the procedures for applicants in trademark application, hearing and registration procedures. For example, processing of registration of trademark applications has been streamlined and automated, and the number of trademark forms has been reduced from 43 to 15 and the turnaround time for trademark application from 12-18 months to 6-12 months. Trademark fees were also reduced from 3% to 100% on the same day.</p> <p>Former restrictions relating to assignment and licensing of trademarks have been removed upon the commencement of the new legislation.</p> <p>Following the coming into effect of the new Trade Marks Ordinance, parallel importation of trademarked goods is now allowed subject to certain condition stipulated under the Ordinance.</p>
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		To outsource building and maintaining of new computer systems with a view to giving better support for the registration process and to providing business opportunity for the private sector.	The outsourcing contract has been awarded in December 2001. The contractor provides for web-based services of online search, electronic filing of forms, electronic publication of trade mark matters and automated processing of registration, post registration matters, etc.
CITB/16	Prescribe copyright register(s) for proof of ownership	To facilitate the copyright owners to prove ownership.	The Administration sought the views of the LegCo Panel on Commerce and Industry on the draft Copyright (Prescription of Copyright Registers) Regulation to prescribe overseas copyright registers to facilitate the proof of copyright subsistence and ownership in legal proceedings against infringement. The Panel was of the view that the Administration should consider setting up a copyright register in Hong Kong or recognizing the copyright registers maintained by the local industries. The Administration undertook to study further. The Administration aims to complete the study and revert within this year.

CITB/17	Regular review of public forms	To reduce and simplify public forms.	<p>(a) Increased awareness of government departments of the need to reduce and simplify their forms and make them more user-friendly</p> <p>(b) Contained the total number of public forms despite introduction of various new services in the Government.</p> <p>This is now being taken up by the Economic Analysis and Business Facilitation Unit (established on 1 June 2004) of the Financial Secretary's Office under the Helping Business Programme.</p>
CITB/18	Establishment of a centralised public forms web site	To provide a centralised web site for the public to access the commonly used public forms electronically.	<p>Some 1 500 public forms now available on the Internet for downloading by the public. Monthly average requests for downloads amount to 40 000.</p> <p>This is now being taken up by the Economic Analysis and Business Facilitation Unit (established on 1 June 2004) of the Financial Secretary's Office under the Helping Business Programme.</p>

CITB/19	Professional Services Development Assistance Scheme	To provide financial support for projects aimed at increasing the external competitiveness and/or the professional standard of Hong Kong's professional service sector.	Action completed. The Scheme was launched in February 2002. We have approved funding for 81 projects in 5 rounds of applications so far, with a total amount of grants at \$31.05 million. Applications for the sixth round was closed in mid-June, and we are now processing the 25 applications received.
CITB/20	The Film Services Office provides one-stop service to the film industry on location filming requests of a more complicated nature	To facilitate location shooting and film production in Hong Kong.	Up to end April 2004, 1 590 requests have been dealt with since its establishment in 1998, with 99% successful rate.
CITB/21	A new mechanism was instituted in March 2001 to facilitate film makers to apply for lane closure for filming purpose	To facilitate location shooting and film production in Hong Kong.	Up to end April 2004, 243 requests have been dealt with, with 100% successful rate.

CITB/22	Streamlining the licensing framework for telecoms operators	To put in place a progressive, business-friendly telecoms licensing framework.	<p>We have streamlined our licensing framework in the Telecommunications Ordinance in 2000. We have introduced a new class licence system by phases. The class licence system lowers business cost without affecting transparency and regulatory standards. The following class licences have been created:</p> <ul style="list-style-type: none"> • the Class Licence for In-building Telecommunications Systems in October 2002; • the Class Licence for the Provision of Public Wireless Local Area Network Services in February 2003. <p>We have also completed our review on the scope for exemption from regulation to facilitate the sale and private use of telecoms equipment. A new exemption order which consolidated the previous exemption arrangements and introduced new exemption commenced operation in February 2003.</p>
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CITB/23	Review of the Electronic Transactions Ordinance	To ensure that Hong Kong has the most up-to-date legal framework for electronic transactions to facilitate e-business development in Hong Kong.	<p>Action completed.</p> <p>The Electronic Transactions (Amendment) Ordinance 2004 was enacted by the Legislative Council to update and improve the Electronic Transactions Ordinance. It came into operation on 30 June 2004.</p> <p>Major amendments include the following –</p> <ul style="list-style-type: none"> (a) for transactions not involving government entities, any forms of electronic signature may satisfy signature requirements under the law if they are appropriate, reliable and agreed by the transacting parties; (b) for specified cases, electronic records may satisfy requirements in law of serving documents by post or in person under the law; and (c) operation of the voluntary recognition scheme for certification authorities have been streamlined and improved.
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CITB/24	Outsourcing of Government IT projects	To provide more business opportunities and to create a market of sufficient size to encourage the development of the local IT industry.	In the 2002-03 and 2003-04 financial years, over 88% of our IT projects, in terms of value, were outsourced. In 2004-05, we have earmarked \$1.88 billion to meet our capital expenditure in new IT projects. Our target is to outsource at least 2/3 in value of these projects. Apart from individual development and maintenance projects, we are also making preparatory arrangements for outsourcing the data centre services for departmental information systems presently operated in-house at the OGCIO Central Computer Centre.
CITB/25	Promotion of IT adoption in businesses	To encourage and assist our businesses, in particular SMEs, to adopt IT to enhance efficiency and productivity.	Together with industry support organisations, we have been providing a wide range of support services to our businesses including training, awareness seminars, publication of reference materials and provision of advisory services.

CITB/26	Exploration of external markets for IT industry	To assist our IT industry to tap business opportunities in external markets.	<p>We have been organising, in collaboration with the Hong Kong Trade Development Council, Hong Kong Productivity Council and IT bodies various activities such as study missions, trade matching, exhibitions and seminars to assist the local IT industry in exploring the Mainland and other markets.</p> <p>We have also signed Memoranda of Understanding (MOU) on IT cooperation with 12 countries (Canada, Finland, France, Germany, India, Ireland, Israel, Italy, Japan, the Netherlands, the Republic of Korea, and the United Kingdom), which provide a useful platform for Hong Kong's IT industry to explore these markets.</p>
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CITB/27	<p>Implement an Electronic Tendering System of the Government Logistics Department (GLD) for government purchases</p>	<p>To improve service delivery and information exchange between Government Logistics Department (GLD), its suppliers and its customers using Internet and related technologies.</p> <p>To enhance the efficiency of government procurement.</p> <p>To encourage the adoption of e-business by the private sector.</p>	<p>Action completed.</p> <p>The Electronic Tendering System was developed in early 2000 to provide for on-line registration of suppliers; notification of tenders; issue of tender documents; receiving and responding to enquiries; submission of tender offers; and displaying contract award notices. The system was enhanced in 2001 to support GLD-originated Central Tender Board tenders and to adopt digital certificates issued by Hongkong Post and other recognized Certification Authorities (CAs).</p>
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CITB/28	<p>Interoperability Framework (IF) for e-Government – to specify technical specifications, conventions, procedures, data schema, etc. that bureaux/ departments (B/Ds) have to observe when developing client-centric joined-up E-government systems. The framework applies to both government-to-government interactions and government-to-public interactions but is not binding on electronic interactions among members of the public (including organisations) themselves</p>	<p>To facilitate B/Ds in developing joined-up E-government systems and facilitate businesses to interact and communicate with government systems in a more effective and efficient manner.</p>	<p>ITSD published version 1 of the IF in November 2002, which covers the management framework, compliance policy, as well as the technical standards.</p> <p>In November 2003, ITSD released version 2 of the IF with updating and an updated catalogue of technical standards.</p> <p>In November 2003, ITSD announced the framework for defining data and managing data standards and are progressively defining the data standards for commonly used data elements. They are accessible from www.xml.gov.hk.</p>
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CITB/29	Portal for government property information	<p>To study the feasibility of establishing a property portal for providing an easy and one-stop access to government property information by the businesses in the property sector and the general public.</p> <p>To promote a free and open market through dissemination of government property information via the Internet.</p>	<p>A feasibility study and a survey were conducted in 2003 which indicated demand for a one-stop property information portal service. CITB is collaborating with Land Registry and Rating and Valuation Department, etc. in exploring an optimal framework for the business, operational and technical arrangements of the portal service.</p>
CITB/30	Business portal feasibility study	<p>To study the provision of an entry portal for the business sector to access the different unconnected business-related websites in Hong Kong, with a view to facilitating the business sector to access necessary business-related information.</p>	<p>Action completed.</p> <p>A business entry portal - business.gov.hk, has been developed and was launched in February 2004 offering one-stop access to essential business information from over one hundred contributing sources, including government departments, public bodies and trade associations.</p>

	(c) Incubation services for technology start-up companies	To nurture technology-based start-up companies by providing low-cost accommodation as well as management, marketing, financial and technical assistance in the critical initial three years of these start-up companies.	<p>Over 160 companies have benefited from the incubation services as at end April 2004, with 82 still under incubation programme.</p> <p>Some incubatees have demonstrated their excellence through receiving local or overseas awards and recognition. Two graduated incubates and one current incubatee have been listed on the Growth Enterprise Market.</p>
CITB/32	Applied Research Fund	To encourage technological ventures through a venture capital fund managed by private sector venture capital firms.	The Government has injected a total of \$750 million into the Fund. As of 30 April 2004, \$475 million was made available for funding 50 projects. IT is a major investment sector of the ARF.

CITB/33	Hong Kong Applied Science and Technology Research Institute Co. Ltd. (ASTRI)	To enhance our research capability for Hong Kong's technological development and stimulate the growth of technology-based industry in Hong Kong.	ASTRI performs relevant and high quality research and development (R&D) and transfers the technologies and results developed from its R&D projects to industry for commercialisation. Its current research foci are photonics technologies, Internet software, wireless communications and integrated circuits design. Of the 13 research projects carried out so far, four have been completed and the technologies evolved have also been transferred to the industry for commercialisation.
CITB/34	Hong Kong Jockey Club Institute of Chinese Medicine Ltd. (HKJCICM)	To spearhead the development of Chinese medicine as a high value industry for Hong Kong through promotion and coordination of related activities and strategic support for scientific and evidence-based development programmes.	HKJCICM has set its programme directions to steer Chinese medicine development embracing standardisation, technology and product development, safety appraisal and evidence-based clinical studies. So far, HKJCICM has funded nine R&D projects and identified neuroscience and endocrinology as its R&D platform areas.
CITB/35	Review of Innovation and Technology Fund (ITF)	To implement a new strategy of innovation and technology development through adopting a demand-led, market-driven approach and identifying key technology focus areas for optimal use of resources.	We are liaising with the industry, universities and other stakeholders with a view to identifying potential focus areas for consultation in mid-2004.

CITB/36	Hong Kong Design Centre (HKDC)	To promote the Hong Kong design industry and its competitiveness in the region as a service industry.	Building on the success of the Business of Design Week (BODW) 02, the first ever multi-disciplinary international event on design in Hong Kong, HKDC and HKTDC jointly organised BODW 03, themed 'LifeStyle Asia', from 6 to 9 December 2003. Similar to the previous event, BODW 03 aimed to raise awareness of the potential of design and help establish Hong Kong as a regional design hub. Apart from a four-day conference, an exhibition covering several special sectors such as business and technology, design career and education etc, and a series of seminars and workshops, were held concurrently.
CITB/37	DesignSmart Initiative	To strengthen the support for design and innovation so as to encourage more design activities in Hong Kong and further promote Hong Kong brand names.	We have sought the approval from LegCo to launch a \$250 million DesignSmart Initiative. The Initiative will include developing an Innovation and Design Centre; launching a Design Support Programme to finance projects in design and branding research; design/business collaborations; design professional continuing education as well as promoting and honouring design excellence and branding; and launching an incubation programme for design ventures.

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Department of Justice

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
DoJ/1	Hong Kong as a dispute resolution centre	To promote Hong Kong as a dispute resolution centre; explain the attributes of local legal services in this respect; encourage parties to foreign investment contracts to agree that, in case of disputes, Hong Kong laws should be the applicable law and that Hong Kong should be the venue for litigation or arbitration.	In collaboration with the Bar Association and Law Society, as well as other government departments (including Beijing Office), professional bodies and HKTDC, we have organised and participated in symposiums, talks, visits and exchange programmes held in Hong Kong, the Mainland and overseas. Feedback from the legal profession and the business sector has been encouraging. We will continue to undertake these activities.
DoJ/2	Hong Kong lawyers as ideal partners in business operations	To help local legal practitioners to promote their high quality services in business operations with a view to expanding their market in the Mainland and overseas.	The Secretary for Justice has made strenuous efforts to foster links between the legal professions in Hong Kong and in the Mainland. Visits were made to Beijing in October, as well as to Nanjing, Shanghai and Shenzhen in December 2003. Apart from promoting the legal services provided by Hong Kong legal practitioners, the Secretary for Justice also led members of the legal profession to visit various law related bureaux

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			<p>and departments to foster a better understanding of the legal system in the Mainland as well as to discuss the implementation of the CEPA.</p> <p>The Department of Justice is also working to strengthen ties and mutual exchanges with Mainland legal professionals. In December 2003, it co-organized a seminar on legal services with the Justice Bureau of Shanghai. A delegation of Hong Kong legal practitioners, led by the Secretary for Justice, took part in this event with some practitioners who delivered talks on their expertise such as the legal issues involved in construction projects and participated in discussion sessions held on subjects of mutual interest.</p> <p>Between October 2003 and January 2004, the Department of Justice signed co-operation agreements respectively with the Justice Bureaux of Beijing, Nanjing, Shanghai and Zhejiang. Under these co-operation agreements, the legal professions of the HKSAR and the Mainland have agreed to pay regular visits and organise training for each other so that mutual understanding and co-operation will be enhanced. They will</p>

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			<p>also exchange legal news and information and conduct seminars on topics of interest to the legal communities of each place. The Department of Justice has also launched discussion with the Justice Bureau of Zhejiang on the details of implementing the cooperation agreement.</p>

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DoJ/3	Closer Economic Partnership Agreement on legal services with the Mainland	To further open up the legal services market in the Mainland for local legal practitioners by way of a CEPA.	<p>We have joined the HKSARG team in the consultation exercise.</p> <p>During the consultations with the Mainland in respect of a proposed Closer Economic Partnership Arrangement (“CEPA”) in legal services, the Department of Justice consulted the Law Society and the Bar Association on their “wish list” for the agreement. The CEPA was signed on 29 June 2003. The CEPA was concluded under the framework of the WTO and encompasses three broad areas: trade in goods, trade in services and trade and investment facilitation.</p> <p>The CEPA makes several specific commitments in respect of legal services, and these reflect the department’s efforts in negotiations with the Mainland authorities to provide enhanced opportunities for Hong Kong’s legal profession in the Mainland. Under the CEPA, Hong Kong law firms that have set up representative offices in the Mainland can now operate in association with Mainland law firms, and Mainland law firms can employ Hong Kong legal practitioners. Hong Kong permanent residents with Chinese citizenship can obtain</p>

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			<p>a Mainland legal professional qualification by sitting the qualifying examination and can engage in non-litigation legal work in Mainland law firms. The minimum residency requirement for Hong Kong representatives working in the Mainland representative offices of Hong Kong law firms is waived or relaxed.</p> <p>The Department of Justice has actively sought the views of the legal profession and duly reflected the same to the Mainland authorities when the implementation details of the CEPA were being finalized.</p>

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DoJ/4	Mutual Legal Assistance on civil and commercial matters with the Mainland	To consult on, facilitate and help enforce and promote mutual legal assistance on civil and commercial matters.	The Secretary for Justice signed the relevant arrangements with the central authorities concerned and actively promoted the enactment of relevant legislation to facilitate the service of judicial documents between the courts of Hong Kong and the Mainland, as well as the reciprocal enforcement of arbitral awards. Currently, the Department of Justice is involved in proposing arrangements for the reciprocal enforcement of court judgments between Hong Kong and the Mainland with a view to reinforcing the position of Hong Kong as a centre for dispute resolution, whereby Hong Kong's legal services market could be further expanded.

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DoJ/5	Review on legal education and training	To ensure that there are continuous improvements to the legal system, including the quality of, and services provided by the local legal practitioners.	<p>After its two Australian consultants have published a comprehensive report in August 2001, the Steering Committee on the Review of Legal Education and Training (“Steering Committee”), chaired by the Solicitor General, proceeded to study the recommendations made in the report, having regard to the submissions made in response to it.</p> <p>In respect of the LLB programme, the Steering Committee endorsed the recommendation of the consultants that the LLB should be extended from three to four years in order to achieve its proper objectives. The University Grants Committee has given its approval in principle to this change, and the new course is scheduled to commence in September 2004.</p> <p>Regarding the PCLL, the Steering Committee considered that it should be subject to major reforms in the areas of admission standards, curriculum contents, teaching and assessment methods, and exit standards for the PCLL. The two universities have established PCLL Academic Boards (with representatives from the two professional bodies, the Judiciary and the Department of Justice) to oversee such reforms. Some reforms have been instituted in the last</p>

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			<p>two academic years. It is expected that further changes will be made in the academic year 2004-5.</p> <p>The Steering Committee has agreed that the improvement of English and Chinese language standards is a key issue and that measures need to be agreed to ensure that standards are raised. In this regard, it has recommended that, as from 2003, students who wish to enrol for the PCLL course must have their English proficiency assessed under the International English Language Testing System (IELTS).</p> <p>In the light of the reforms to the LLB and PCLL programmes, a conversion course is being planned for overseas law students graduating in or after 2007. Its main objective is to ensure that overseas law graduates who seek to enter the PCLL are adequately prepared in Hong Kong laws for the skills training in the PCLL.</p>

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			<p>The Steering Committee has further agreed that a new statutory body should be established in order to keep up the momentum of reform of the legal education and training system, and to keep under review the future direction of that system. This body will consist of lay members, together with representatives from the Judiciary, the two branches of the profession, the two universities and other providers of legal education. It will come into being on 1 September 2004 and will replace the existing Advisory Committee on Legal Education.</p>

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DoJ/6	Enhancing the competitiveness of the legal services industry	To help local practitioners increase their competitiveness in providing professional services.	<p>On various occasions, especially those in relating to the discussion about WTO issues, S for J and other members of D of J have given briefings on the need and ways to increase the competitiveness of the local legal practitioners. Special lectures and courses on Mainland laws, Mainland affairs, WTO related issues and the impact of China's accession were, in collaboration with various professional bodies, given to practitioners.</p> <p>In January 2002, two new web pages on WTO related issues and Mainland legal information were launched by the D of J. The databases are updated regularly and linked to over 300 web sites in the Mainland.</p>

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DoJ/7	Consultancy Study on the Demand for and Supply of Legal and Related Services	To ascertain, through an empirical study, the nature of legal problems commonly faced by members of the community and how those problems are handled; help future policy formulation in relation to access to justice and legal education to be more soundly based, and be better directed to improving the current arrangements from the information obtained.	<p>A Consultative Committee comprising representatives from the legal services sector and other professionals, academic and community bodies interested in the issue of access to justice, was established under the chairmanship of the Solicitor General to assist the Government in overseeing the relevant research.</p> <p>It is anticipated that the consultancy study will comprise two separate surveys, one focusing on the supply of legal and related services in Hong Kong and the other on the demand for legal and related services.</p> <p>The survey on the supply of services will involve an examination of the scope of legal and related services, how accessible they are (both substantively and geographically) and their level of quality. The extent, adequacy and potential of free legal advice services in Hong Kong will also be examined under this head.</p>

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			<p>The survey on the demand for legal and related services will focus on identifying the types and frequency of legal or justiciable problems which arise in Hong Kong and what people do to redress these problems. This will involve an examination of the advice-seeking behaviour that individuals adopt when faced with legal problems, their level of knowledge, what obstacles they face and what outcomes result in their particular situations.</p>

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Economic Development and Labour Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/1	Expansion of air services network	To strengthen Hong Kong's position as an aviation hub for passenger, cargo and logistics services.	To date, we have signed a total of 51 air services agreements with our aviation partners and we continue to review existing agreements with our aviation partners. Currently, our air services network covers over 130 destinations worldwide, with over 4 100 flights operating to/from the Hong Kong International Airport (HKIA) per week.
EDLB/2	Further development of the HKIA's passenger and cargo handling facilities and the connectivity of the HKIA	To ensure that the HKIA's facilities are able to meet increasing traffic demands.	Since its opening in 1998, the HKIA has consistently been the world's number one airport in terms of international cargo tonnage throughput. HKIA currently ranked 5th in terms of international passenger throughput. A new express cargo terminal will be opened for operation by end 2004. Airport Authority and its business partners are also developing inter-modal connectivity for HKIA, e.g. cross boundary ferry service between HKIA and Pearl River Delta was launched in September 2003.

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EDLB/3	Examination of the development of high-value added logistics park	To attract enterprises to use Hong Kong as the base for supporting low-inventory modes of production	To enhance Hong Kong's capability in providing one-stop integrated logistics services, we have identified Tai Ho at North Lantau as a suitable location for developing a Value Added Logistics Park (VALP). The Task Force on Lantau Development chaired by the Financial Secretary has decided that the project should be taken forward expeditiously. We will engage the industry through the Hong Kong Logistics Development Council to ensure the development of the VALP will meet the practical needs and expectations of users/developers.
EDLB/4	Study on the feasibility of establishing a common information technology platform in the logistics sector	To facilitate data exchange among participants in the logistics industry to enhance efficiency	We have entered into discussion with Tradelink Electronic Commerce Limited with a view to concluding an operating agreement to launch the Digital Trade and Transportation Network (DTTN) System in 2005.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/5	Tendering out tourism infrastructure projects to the private sector and subsequent support during implementation. Examples include the Tung Chung Cable Car Project, and the former Marine Police Headquarters Project	To involve the private sector in tourism development projects	The Cable Car Project and the former Marine Police Headquarters Project have been awarded through open and competitive tendering process. We are planning to tender out other tourism projects such as the Central Police Station Compound.
EDLB/6	Provision of training programme for serving tour guides (\$16 million allocated from the Skills Upgrading Scheme)	To upgrade the skills and knowledge of tour guides so that they can deliver better services to visitors. This is expected to raise the standard of the tourism industry.	The programme has commenced in July 2002. Up to end April 2004, about 5,400 tour guides have registered for training and 3,500 have passed the examination. We aim to complete the training of all serving tour guides by June/July 2004.
EDLB/7	Tourism Orientation Programme – provision of a structured one-year orientation programme to provide tourism-related training and practical experience to participants	To train up a cadre of professional and customer-oriented personnel to provide value-added services to visitors, thus raising the overall standard of the tourism industry.	The programme has commenced in April 2002 with an initial plan as a two years programme. 133 Tourism Hosts have graduated from the 2002/03 programme and about 170 Tourism Hosts are receiving training under the 2003/04 programme. In view of the positive feedback received, additional fund has been reserved to extend the programme for two more years.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/8	Enhancement and repackaging of existing tourist attractions in various districts	To give a facelift and add more life to the existing popular tourist areas with a view to enriching the visitors' experience and enticing their spending.	Enhancement works in Sai Kung Waterfront and Lei Yue Mun Waterfront were completed in 2003. The works in Central and Western District and the visitor signage system in all districts are in good progress and will be completed by 2004. The Avenue of Stars which is the first phase of Tsim Sha Tsui Promenade Beautification project, has just been completed and open to the public in end April 2004. Other improvement works for the Tsim Sha Tsui promenade will commence in August this year. We target to commence the Stanley Waterfront and new Transport Link in Tsim Sha Tsui East within this year and the Peak improvement project in early 2005. We are also planning to develop the site outside the Tsim Sha Tsui Star Ferry Pier into an open plaza after the relocation of the public transport interchange to Tsim Sha Tsui East.
EDLB/9	Leveraging on events of tourism value in Hong Kong	To support and facilitate the staging of more signature events in Hong Kong, thereby reinforcing its position as the events capital.	A Task Group formed under the Tourism Strategy Group (TSG) has completed a review of the present state of events tourism in Hong Kong and submitted a report to TSG .

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/10	Development and promotion of eco-tourism	To optimize the use of our natural heritage to enhance the diversity of Hong Kong's attractiveness, and create business and employment opportunities for the local communities.	We completed a consultancy study on the development of tourism in the Northern New Territories in end-2002. An interdepartmental committee formed to take forward the study's recommendations is now working on two pilot projects in Tung Ping Chau and North Shore of Tolo Channel area.
EDLB/11	Launching of the Labour Department's Cyber Resource Centre for Business web site	To provide one-stop information on labour matters for the business community, including both local and overseas investors.	Action completed. The web site was set up in November 2000.
EDLB/12	Enhancing the contents and functions of the Interactive Employment Service (iES) website of the Labour Department	To provide more comprehensive recruitment services to employers on the web and to facilitate the dissemination of employment information to specific clientele groups.	<ul style="list-style-type: none"> • Action completed. • The enhancement was completed in May 2002.

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Education and Manpower Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EMB/1	Skills Upgrading Scheme	To provide focused skills training for in-service workers with secondary or lower education levels to upgrade their skills so as to maintain their competitiveness in the labour market.	The Scheme now covers nineteen industries including printing, Chinese catering, retail, import and export trade, transportation, wearing apparel/textile, tourism, hairdressing, property management, insurance, electrical and mechanical engineering trade, hotel, real estate agents, beauty care, building maintenance and decoration, passenger transport, elderly care, sports and recreation and TV, film and entertainment. As at May 2004, over 4 000 classes involving over 85 000 trainees have been held.
EMB/2	Continuing Education Fund	To assist people to pursue continuing education so as to prepare Hong Kong's workforce for the knowledge-based economy	As at end April 2004, there were over 93 500 applications.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EMB/3	Funding Scheme for Workplace English Training	To help individual employees to upgrade their English and for professional bodies to develop English training courses which are not readily available in the market.	As at end April 2004, about 17,000 individuals have reached the English benchmark relevant to their job types, and another 3, 500 are pursuing their studies.

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Environment, Transport and Works Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/1	Streamlined procedure for applications for excavation permits	Highways Department is coordinating with Transport Department, the Traffic Police, Environmental Protection Department and Leisure and Cultural Services Department to implement a streamlined procedure such that all related approvals are given to the applicant when the excavation permit is issued.	The streamlined procedures have been implemented by Highways Department for processing applications for excavation permits and are proven to be successful.
ETWB/2	Re-engineering of Architectural Services Department (ArchSD)	To re-prioritise the functions of ArchSD to enable it to focus more on strategic roles through an extensive outsourcing programme, thereby generating more business for the private sector and creating more job opportunities.	The overall outsourcing of professional services for the delivery of new projects had reached 60% by the end of March 2004. ArchSD will continue with further outsourcing to achieve the ultimate target of 90% outsourcing in a flexible and step-by-step manner.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/3	Contracting out transport services of the Water Supplies Department (WSD)	To enhance efficiency and cost-effectiveness of the existing transport services of WSD, thereby generating more business for the transport industry and creating more job opportunities.	Initiative has been dropped upon a detailed financial analysis of the overall cost-effectiveness of the proposed outsourcing of transport services.
ETWB/4	Review of admission criteria for inclusion in the Architectural and Associated Consultants Selection Board (AACSB) List of Consultants, and the method of shortlisting of consultants for public building projects	To ensure that the admission criteria are not unduly stringent so that more consulting firms could participate in public building projects, and that the shortlisting method could provide consultants with good performance and good quality proposals better opportunities in being selected for government consultancy assignments.	Action completed. Improvement measures concerning the listing and selection of consultants have been promulgated and implemented.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/5	Implement a computerized Project Delivery System (PDS) for delivery of works projects	<p>To improve efficiency and shorten turn around time for message exchange in project delivery, thereby speeding up information flow among project participants.</p> <p>To provide a secured and authenticated communication platform for exchanging electronic messages, thereby increasing the legal admissibility of the electronic messages.</p> <p>To facilitate the sharing and re-use of works project data among project participants.</p>	<p>The study on electronic services delivery for works projects which recommends the implementation of the Project Delivery System has been completed. The consultant of the study has conducted consultation sessions with the construction industry, including the Provisional Construction Industry Co-ordination Board. Implementation of a Works Project Information Standards system is being contemplated to facilitate the sharing and re-use of works projects information among the works project participants.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/6	Establishment of a one-stop-shop vehicle type approval mechanism	To provide more user-friendly vehicle type approval service through strengthened coordination among relevant government departments and streamlining of existing type approval procedures.	Action completed. To facilitate the “one-stop” type approval mechanism, an integrated type approval application document, which combined all information required by different departments e.g. EMSD, EPD and TD, has been put to use since July 2003. Since then, the trade was no longer required to submit type approval applications to different departments but to Transport Department (TD) only. TD reviews the one-stop-shop vehicle type approval mechanism in consultation with the trade regularly for future improvement.
ETWB/7	Provision of transport system to support HK’s development	To provide a safe, efficient, reliable and environmentally friendly transport system which meets the economic, social and recreational needs of the community, and is capable of supporting sustainability and the future development of HK.	It is our guiding policy to provide a safe, efficient, reliable and environmentally friendly transport system which meets the economic, social and recreational needs of the community, and is capable of supporting sustainability and the future development of Hong Kong.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/8	Provision of cross-boundary transport infrastructures	To provide cross-boundary transport infrastructures in a timely manner to meet both the traffic and strategic development needs of HK.	<p>Construction works of the Hong Kong-Shenzhen Western Corridor (SWC) is in good progress, and is targeted to complete in 2005..</p> <p>Works of Sheung Shui to Lok Ma Chau Spur Line is on schedule and is expected to complete in 2007.</p> <p>We are also actively pursuing the advance work of the Hong Kong-Zhuhai-Macao Bridge. The governments of the HKSAR, Macao SAR and Guangdong have set up an Advance Work Co-ordination Group and commissioned a feasibility study for the Bridge, which is scheduled for completion by end 2004. We believe the Bridge project, when completed, will bring about significant marco socio-economic benefits to the Pearl River Delta Region, including Hong Kong.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/9	Review of import and possession licensing requirements for species listed under the Animals and Plants (Protection of Endangered Species) Ordinance	To reduce and streamline licensing requirements to facilitate conduct of business without compromising our obligations under the related international convention.	We are working on the draft bill and intend to bid a slot for introducing it into LegCo in the first half of the legislative session of 2004/05. We hope that the proposals can take effect in 2005.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/10	Helping the Restaurant Trade Environmental Programme	To assist the trade in achieving better environmental performance and complying with environmental legislation.	<ul style="list-style-type: none"> • Action completed. • We have launched the “Environmental Help Desk for the Restaurant Trade” to provide technical advice and assistance for the trade. The Help Desk comprises hotline service, a dedicated website, and a regularly updated list of suppliers and contractors of pollution control equipment. • We have held regular meetings with representatives of the trade to maintain communication with management and operators. • We have provided the trade with information on good environmental practices through educational and publicity programmes, including seminars and workshops. • We have published guidebooks and posters for restaurant operators and chefs. • We have provided technical advice on the local development of new pollution control technology and equipment that suit the requirements of local business.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			<ul style="list-style-type: none"> We have provided technical advice for professional institutions in developing structured training courses for the practitioners and personnel of the trade.
ETWB/11	Outsourcing design, building and operation of waste management facilities to the private sector	To provide business opportunities to the waste management industry.	<p>Action completed.</p> <p>All government-owned waste management facilities are operated by the private sector.</p>
ETWB/12	Inviting expressions of interest from the local and international waste management industry in providing waste management facilities	To help assess the level of private sector interest in providing waste management facilities in Hong Kong.	We plan to consult the public on the appropriate large-scale waste treatment technologies before the end of this year.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/13	Providing land for the recycling industry	To facilitate development of the recycling industry by providing affordable land for their operation.	At present, 27 pieces of short term tenancy (STT) sites have been let to the recycling trade. We are planning for the development of the Recovery Park and expect the first phase of operation will commence in 2005/06.

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Financial Services and the Treasury Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/1	Outsourcing of the annual vacancy survey exercise covering all major property categories	To outsource appropriate tasks to the private sector thereby improving efficiency and cost-effectiveness. This initiative also helps to increase job opportunities in the private sector.	<p>The initiative was first implemented in end-2001 and continued in 2002 and 2003. Apart from achieving savings for the Government, it created more job opportunities in the private sector.</p> <p>It is now an on-going exercise. We will have a similar outsourcing arrangement for the 2004 year-end survey.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/2	On-line access to the Valuation List and Government Rent Roll	To provide an additional means of convenient access for rates and rent payers, including the business sector, to the rateable values of their properties.	<p>Action completed.</p> <p>Before 2001, the Valuation List and Government Rent Roll containing rateable values of all properties in Hong Kong were normally available for public inspection in printed format every year in April and May following the annual revaluation. Since April 2001, on-line access to the List and the Roll has been made available. In April 2002, in addition to the search option by 'Assessment Number', the facility was improved by incorporating two more search options – by 'Street/Village Name and Building Number' and 'District Number'. Since April 2004, the 'Address or Description of Tenement' in the List and the Roll has been displayed in both Chinese and English.</p>
FSTB/3	Outsourcing of rating work for village type houses in the remote areas of the NT	To farm out labour-intensive work to the private sector thereby improving efficiency and cost-effectiveness.	<p>Upon the successful completion of the two pilot outsourcing contracts in April 2003, four more contracts have been awarded for the rating work for some 3,350 village lots.</p> <p>This is on-going.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/4	Implementation of the open bond system, i.e. audit-based control, for bonded warehouses storing dutiable liquor or tobacco, replacing the current mode under which Customs officers have to attend the bonded warehouses and physically supervise all operations concerning the movement of dutiable goods	To facilitate the trade by lowering their compliance costs and providing more flexibility to warehouse operations as no Customs attendance fee will be charged and opening hours of the bonded warehouses will be at the full discretion of the traders.	Action completed. The Dutiable Commodities (Amendment) Bill 2002 was passed by the LegCo on 26 February 2003. The Open Bond System came into operation in two phases, with the first phase commenced on 1 April 2003 for all warehouse except the 3 distilleries. The second phase for the 3 distilleries commenced on 1 October 2003.
FSTB/5	Removal of the prescribed standards of quality for Chinese type spirits from the Dutiable Commodities Regulations	To eliminate unnecessary restrictions on the trade by removing the outdated standards prescribed for Chinese-type spirits.	Action completed. The Dutiable Commodities (Amendment) Regulation 2003, which removes the outdated standards of quality for Chinese-type spirits, came into force on 1 December 2003. All types of Chinese-type spirits can now be traded in Hong Kong without the unnecessary restrictions.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/6	More readily accessible business information to the business sector	To shorten the issue of extract of information on Business Register from 2 days to 1.	Action completed. This initiative was implemented in April 2003.
FSTB/7	Alternative option for stamping chargeable instruments in respect of property transactions, without presentation of the original documents	To streamline and automate the stamping process of property transactions with the provision of a quick and convenient electronic stamping service to the public.	Development and testing of the property stamping system are in the final stages. The new electronic stamping service will be launched in August 2004.
FSTB/8	Electronic lodgment of Profits Tax Returns	To provide an alternative method of filing Profits Tax Returns through the Internet, so as to reduce the taxpayers' cost of compliance.	Action completed. The service has been made available since April 2002.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/9	Financial Market Development	To coordinate new initiatives on the development of Hong Kong's financial markets.	Past achievements include measures to facilitate the development of the bond market. These included the issuance of various guidelines by the Securities and Futures Commission in February 2003 permitting awareness materials and putting in place an alternative "dual prospectus" structure; two class exemptions in relation to prospectuses for offers of debentures, which came into operation in May 2003; legislative amendments to the Companies Ordinance were enacted in July 2004 to simplify procedures for registration and issue of prospectuses.
FSTB/10	Review of the existing market entry criteria and the three-tier authorization system for the banking sector	To relax certain market entry criteria for the banking sector to attract a broader range of domestic and international institutions to participate in the banking sector. This would be conducive to maintaining Hong Kong's status as an international financial centre.	<p>Action completed.</p> <p>The branching restrictions imposed on overseas-incorporated banks licensed in or after 1978 and overseas-incorporated restricted licence banks authorized in or after 1990 were fully relaxed in November 2001. These institutions are now allowed to operate as many branches as they wish to.</p> <p>Market entry criteria were further relaxed in May 2002. Asset size criterion for overseas-incorporated bank applicants was lowered from US\$16 billion to the same criterion applicable to locally incorporated bank</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			<p>applicants, which are HK\$3 billion for customer deposits and HK\$4 billion for total assets. The requirement that a locally incorporated bank applicant must have been a restricted licence bank (RLB) or deposit-taking company (DTC) in Hong Kong for at least 10 continuous years was reduced to 3 years at the same time.</p> <p>The requirement that the applicant must in the opinion of the HKMA be “closely associated and identified with Hong Kong” has been dispensed with.</p> <p>The minimum capital requirement for locally incorporated bank applicants has been increased from HK\$150 million to HK\$300 million. The adjustment aims to strike a balance between making it easier for institutions to enter the market as a full licensed bank and avoiding a multiplicity of small banks. Same requirement has been extended to overseas-incorporated bank.</p> <p>The general requirement for overseas-incorporated banks to have maintained a local representative office in Hong Kong for a period of 1-2 years before its authorization request will be considered has been removed.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/11	<p>The Privacy Commissioner for Personal Data issued consultation document on 28 August 2002 proposing amendments to the Code of Practice on Consumer Credit Data under the Personal Data (Privacy Ordinance) to introduce the sharing of positive consumer credit data in Hong Kong</p>	<p>Positive data sharing is proposed by the banking industry as one of the measures to address the problem of high rates of personal bankruptcy.</p> <p>The sharing of positive consumer credit data would benefit banks by improving their credit assessment and controlling growth in bad debt. This is conducive to the healthy development of the consumer credit market in the long term.</p> <p>Greater sharing of credit data would also promote market competition which would eventually be beneficial to consumers who would enjoy more options in the choice of credit facilities at a lower cost.</p>	<p>Action completed.</p> <p>Taking into account the results of the consultation, the Privacy Commissioner revised the Code of Practice on Consumer Credit Data in June 2003 to allow the sharing of positive consumer credit data. Credit providers started sharing positive consumer credit data in August 2003.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/12	To amend the Bills of Exchange Ordinance to enable cheques to be presented for payment other than by physical presentment	<p>(a) To enhance efficiency and security and to reduce the cost of cheque clearing and settlement process in Hong Kong;</p> <p>(b) To enhance market infrastructure and bolster Hong Kong's position as a financial centre in the region, as Hong Kong will be amongst the first to introduce the new system.</p>	<p>Action completed.</p> <p>The Bills of Exchange (Amendment) Ordinance was enacted in early 2003 and the cheque imaging project was implemented in mid-2003.</p>
FSTB/13	Review of the operational and administrative aspects of the Mandatory Provident Fund (MPF) System	The objective of the review is to simplify and streamline the administrative work of employers and MPF service providers, thus facilitating smooth scheme administration and reducing their operation costs, without materially affecting the interests of the scheme members.	<p>The Mandatory Provident Fund Schemes Authority (MPFA) reviewed the administrative and operational aspects of the MPF System after the commencement of the System in December 2000. The first phase of the review was completed in late 2001.</p> <p>Enactment of the Mandatory Provident Fund Schemes (Amendment) (No.2) Ordinance 2002 in July 2002 signified completion of the first phase of the Review. The MPFA proceeded with the second and third phases of the Review to further streamline the operations of MPF schemes. The third phase was just completed. These two phases of work resulted in a number</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			<p>of legislative amendment proposals, covering issues mainly related to investment regulation and scheme administration. We are now working on the drafting work, intending to introduce them into LegCo in the 2004-05 session.</p>
FSTB/14	<p>To constantly review the regulatory regime for the insurance industry in the light of operational experience and market development, and to enhance the regime in line with international standards</p>	<p>To protect the interests of the insuring public and at the same time to facilitate the healthy development of the insurance industry, thereby enhancing the status of Hong Kong as a regional insurance centre.</p>	<p>The Office of the Commissioner of Insurance (OCI) introduces new initiatives from time to time. Recent initiatives launched include legislative amendments introducing a definition of Hong Kong long term insurance business and a requirement for insurers to submit annual returns of such business as well as promulgation of guidance notes on classification of linked long term business, reinsurance with related companies, and asset management.</p> <p>The Continuing Professional Development Programme under the Insurance Intermediaries Quality Assurance Scheme was reviewed in late 2002. An insurance intermediary is now required to earn 5 core and 10 non-core credits each year. OCI will continue to review the Programme in the light of operational experience.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/15	Outsourcing the administration of court ordered winding-up cases	To outsource to private sector liquidators the administration of all court ordered winding-up of companies.	Action completed. The winding-up cases are now administered by the liquidators in the private sector.
FSTB/16	Review of the Companies Ordinance	To simplify, update and improve the Companies Ordinance, which will facilitate business operations.	Recommendations of the review are being pursued in phases by a number of amendment bills to the Companies Ordinance. Consideration is also being given as to how the recommendation to rewrite and restructure the Companies Ordinance can best be taken forward.
FSTB/17	Corporate Governance Review	To improve our corporate governance regime, which will enhance Hong Kong's status as an international financial and business centre.	Recommendations in Phases I and II of the review are being followed up.
FSTB/18	Development of an Integrated Companies Registry Information System (ICRIS)	To enable the Companies Registry to receive, process, store and disseminate information electronically.	Phase I of the ICRIS expected to be in operation in the fourth quarter of, and phase II in late 2005/early 2006.

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Health, Welfare and Food Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/1	Review the licensing regime for food businesses	To streamline procedures and to improve co-ordination between departments in the licensing regime for food businesses in a bid to create a user-friendly environment for the trade.	The Food and Environmental Hygiene Department will continue to keep under review the licensing requirements and conditions for food businesses with a view to streamlining and updating them as necessary.
HWFB/2	Streamline the processing of applications for outside seating accommodation (OSA) of restaurants	To streamline application procedures and improve co-ordination among relevant departments in an effort to promote OSA operation.	Since the introduction of 'one-stop' service for OSA application in April 2002, we have given approval to 90 applications thus far.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/3	Review the licensing requirement for marine fish culture under the Marine Fish Culture Ordinance	To facilitate mariculture development by allowing the transfer of mariculture licence.	The Ordinance was amended in June 2002 to allow for the transfer of mariculture licence. So far over 500 applications have been processed by AFCD.
HWFB/4	Conduct a trial scheme to allow recreational fishing in fish culture zones	To open up a new business option for mariculturists and to promote fishing as a leisure activity.	A trial scheme, which commenced since mid-August 2002, at two Fish Culture Zones (FCZs) has been completed. Pursuant to a review of the scheme conducted in December 2002, we have extended the activity to other FCZs. So far we have given our agreement to 9 FCZs to enable mariculturists therein to develop recreational fishing.
HWFB/5	Review of import and export licensing process for pharmaceutical products	To shorten the time for approval of import and export licences for pharmaceutical products from two days to one.	Action completed. Implemented in September 2002.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/6	Review of the drug sample analysis requirement for registration of pharmaceutical products	To shorten the time required for registration of pharmaceutical products, through accepting drug sample analysis by accredited laboratories in lieu of analysis by Government Laboratory.	Action completed. Implemented in September 2002.
HWFB/7	To streamline its operations in finance, human resources management, and procurement and inventory management, the Hospital Authority (HA) will introduce a new “Enterprise Resource Planning” (ERP) system. HA is exploring the feasibility of involving the private sector in financing, implementing and operating the new ERP system	To create business opportunities for the private sector. The proposal will also enable HA to outsource some of its non-core business systems to the private sector.	Evaluation of the response from the “Expression of Interest” completed in October 2002 indicated that public-private partnership could be a viable option to help finance and implement an ERP system in HA. Due to the size and complexity of the ERP project, a detailed business case has to be developed to analyse the costs, benefits and risks. The business case is targeted for completion in the 4 th quarter of 2004.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/8	To use a partnership approach with contractors and consultants for the implementation of HA's major capital works projects	To approach minimize disputes among different parties and to achieve higher standards on quality and safety.	HA has implemented this partnership approach in several major projects in Haven of Hope Hospital, United Christian Hospital, North District Hospital, and Tseung Kwan O Hospital. The same approach is currently being applied to the Pok Oi Hospital redevelopment project which is underway.
HWFB/9	To consider the possibility of adopting a public-private partnership approach for the provision of HA's central food production service	To achieve greater cost effectiveness in the provision of meal services to inpatients and to create business opportunities for the private sector.	<p>Feasibility study was completed in 2003. A phased approach of using public-private partnership will be adopted by HA for the provision of meal services to in-patients/day patients in HA hospitals/institutions.</p> <p>An invitation for "Expression of Interest" was issued in April 2004 and submission of proposals from interested parties would be forthcoming by early June 2004.</p> <p>Evaluation of proposals and short-listing of bidders leading to the award of a contract for the first phase are expected to complete by the 1st quarter of 2005.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/10	<p>In the past, welfare services were allocated among Non-Governmental Organizations (NGOs) only.</p> <p>In 2001, SWD introduced competitive bidding for residential care services for elders. Under the initiative, new services will be allocated through a bidding process open to both NGOs and the private sector on the basis of quality and cost-effectiveness.</p>	<p>To enhance the quality, cost-effectiveness, responsiveness and planning of welfare services and to increase choices for elders and their families.</p> <p>The initiative also allows participation of the private sector in providing quality subsidized and non-subsidized services.</p>	<p>Since 2001, SWD has allocated seven new Residential Care Homes for the Elderly (RCHEs), through competitive bidding, to operators from NGOs and the private sector.</p> <p>SWD will continue to allocate future RCHEs through competitive bidding.</p>

**Programmes or initiatives
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Home Affairs Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HAB/1	Promotion of Local Community Economy (LCE)	To stimulate domestic consumption and promote Hong Kong's district characteristics.	<p>The 18 District Councils have either set up LCE working groups or extended the scope of its existing committees to include the promotion of LCE.</p> <p>Nearly 30 LCE projects were implemented in the last financial year. Most LCE projects launched have been very successful. Examples are the Hong Kong Computer Festival 2003 (generating a total of about \$300 million sales volume), Tsuen Wan Jewelry and Goldsmith Square (sales volume has increased by 30%) and Food Street in Yuen Long (resulting a 15% to 30% increase in eateries business volume).</p> <p>In the coming year, we will continue our efforts to promote the development of LCE and to assume the role of a facilitator. A variety of new LCE initiatives are in the pipeline or under</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			planning. Examples include Aberdeen Dining on Sampan, Sai Kung Waterfront Park Cuisine Carnival and Hong Kong Computer and Communication Festival 2004.
HAB/2	Outsourcing of the back-end ticketing system for Urban Ticketing System (URBTIX)	To invite private sector participation in a project to develop and maintain a new and advanced ticketing system with enhanced features to replace the existing URBTIX.	Open tender has been called for in March 2004 and tenders received are now under evaluation. It is expected to select a suitable service provider in August/September 2004.
HAB/3	Outsourcing of security, horticultural maintenance, cleansing and support services in leisure venues	To involve private sector and to bring in commercial modes of operation in the delivery of public services with a view to enhance the quality of services to the public and in a more cost-effective manner.	As at 1 May 2004, there were already 58 services contracts involving commercial contractors providing services related to security, horticultural maintenance, cleansing and support services in leisure venues. The total contract value involved in these 58 contracts is about \$931 million.
HAB/4	Outsourcing the management of sports centres and public swimming pool complex	To involve the private sector in the management and delivery of recreational services with a view to achieving better quality of service in a cost-effective manner.	With the commencement of the new contracts on 1 May 2004, we have altogether contracted out management of 10 sports centres.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HAB/5	Introduction of multiple year licensing system for hotels and guesthouses whereby hotel/guesthouse operators can apply for licences with validity period of up to seven years	To simplify the original licensing process which requires annual renewal of licences, and to achieve economies of scale in the issue and renewal of licences.	Action completed. The multiple year licencing scheme has been implemented in December 2001.

**Programmes or initiatives
to facilitate business operation or promote business development in Hong Kong**

Housing, Planning and Lands Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HPLB/1	Establishment of a Business Opportunity Centre for leasing of retail premises in public housing estates	To facilitate retail business start-ups and operation by providing one-stop services for the leasing of retail premises in public housing estates.	The Centre continues to provide one-stop information services and flexible leasing arrangements for interested operators of the Housing Authority's commercial premises, including short-term letting, instant tendering, offering in response to application etc. To increase publicity, periodic advertisements on the Centre's services are put up on newspapers and MTR.
HPLB/2	Enhancing retail leasing terms including – (a) rent re-assessment for existing commercial tenants; (b) greater flexibility on trade types; (c) reduction of rent deposit; and (d) introducing short-term lettings to encourage business start-up.	To assist existing commercial tenants to tide over economic downturn and to facilitate business entry through introduction of greater flexibility into lease arrangements.	In view of the adverse impact of Atypical Pneumonia on retailing environment, the Housing Authority introduced a rental concession of 30% to 50% for all its commercial tenancies for three months in April 2003. A three-month rental waiver was also introduced for poultry stalls in March 2004 to help them tide over the difficult period during the import ban on poultry from the Mainland.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HPLB/3	Outsourcing of estate management and maintenance services for public housing estates	To achieve greater cost efficiency and increase private sector involvement in Housing Authority's estate management and maintenance services.	The "Private Sector Involvement" Programme, launched in 2000, was completed with a total of some 316 000 or 48% of all public rental flats outsourced to 29 private property management companies. The Housing Authority will continue its efforts to achieve cost-efficiency and increase private sector involvement in managing and maintaining public housing estate through outsourcing.
HPLB/4	Re-engineering the building approval process	To simplify procedures and accelerate the plan approval process with a view to making the development process as simple and user-friendly as possible, thereby facilitating the building industry and reducing development cost.	Action completed. Implemented in July 2002.

**Programmes or initiatives
to facilitate business operation or promote business development in Hong Kong**

Security Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/1	Re-engineering of Customs clearance procedures at Customs kiosks in the land boundary control points	To shorten customs processing time at kiosks, thereby increasing the overall vehicle throughput and facilitating cross boundary truckers.	In 2003, through a series of process reengineering and automation, C&ED successfully reduced the clearance time for laden vehicles at a Customs kiosk from 45 seconds to 30 seconds. In 2004, C&ED will further automate and streamline the processes with a view to reducing the clearance time from 30 seconds to 27 seconds. Installation of the relevant equipment at the three vehicular land boundary control points is targeted for completion by September 2004. The new procedures will be implemented thereafter.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/2	Lok Ma Chau Control Point Improvement Project	To cope with the persistent growth in cross-boundary vehicular and passenger traffic, the Administration implemented a 2-phase expansion project at Lok Ma Chau Control Point. Project items include construction of 10 new vehicular kiosks, demolition and rebuilding of the old vehicular kiosks, expansion of the passenger hall and boundary crossing facilities, expansion of the freight examination platform and installation of 2 sets of fixed x-ray vehicle scanning system.	Improvement works at the Lok Ma Chau Control Point were completed in September 2003.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/3	Application of technology in Customs clearance at control points	To reduce the time required for clearance and thereby enhance the throughput capacity at land boundary control points.	<p>In order to speed up the clearance of cross-boundary vehicles, C&ED installed a total of 42 sets of “Automatic Vehicle Recognition System” (AVRS) at the three land-boundary control points by May 2003. The equipment helps reduce the average clearance time for each goods vehicle by three seconds.</p> <p>Two Vehicle X-Ray Inspection Systems have been installed at the Lok Ma Chau Control Point since early 2003. The two systems, which can scan a whole vehicle and its goods, greatly shorten the inspection time for a goods vehicle requiring secondary checking from a few hours to 20 minutes.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/4	Improvement works and enhanced arrangements at Boundary Control Points, in particular at the Lok Ma Chau and Lo Wu Control Points	To facilitate the smooth flow of people and cargo between Hong Kong and the Mainland, contributing to the economic activities between the two places and Hong Kong as a logistics hub.	<p>The improvement works at the Lok Ma Chau Control Point were completed by September 2003, increasing the Control Point's handling capacity from 19,000 to 32,000 vehicles per day and from 4,200 to 5,500 passengers per hour. Traffic flow for both vehicles and passengers has been streamlined and the physical environment has been greatly improved.</p> <p>At Lo Wu, the improvement works mainly comprise widening of the passageway to the Departure Hall, creation of additional waiting area in the arrival hall by replacing 46 side-facing counters with 48 front-facing counters, expansion of the Departure Hall to provide 14 additional immigration counters (+18%), and construction of a new passageway leading to the eastern Departure Hall. The improvement works are in good progress. Upon completion of these improvement works in early 2005, there will be an extra 1,100 square metres of space at the Departure Hall, providing an additional buffer for circulation and queuing room for up to 3,800 passengers.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			<p>We are also carrying out improvement works at the Lo Wu Footbridge to provide air-conditioning and to widen it by 5.5 metres, or some 60%. When these works are completed by end 2004, boundary crossing at Lo Wu should become much more comfortable, especially during the hot and humid summer season.</p> <p>To cope with the growing passenger and vehicular traffic, we will continue to improve efficiency of immigration clearance through flexible redeployment of staff, streamlining of procedures, improvement works and use of technology. For example, following the installation of Expeditious Immigration Clearance System in 2003, ImmD aims to roll out the Automated Passenger and Vehicle Clearance Systems in phases around end 2004.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/5	Entry for investment	Existing immigration policy allows the entry of persons coming to Hong Kong to set up or join a business operation. Government is reviewing existing policy with a view to permitting the entry of capital investment entrants, i.e. those who will bring capital to Hong Kong but would not otherwise be engaged in the running of any business.	A new “Capital Investment Entrant Scheme” was launched on 27 October 2003. Under the Scheme, persons who invest in net assets of not less than HK\$6.5 million in real estate and/or specified financial assets are eligible to apply for admission into Hong Kong as a capital investment entrant. As at 3 July 2004, we have received 392 applications, out of which 139 applicants who have made the required investment have been granted formal approval to reside in Hong Kong. They have invested a total of HK\$1,013.77M, representing an average of \$7.29M per applicant. Another 87 applicants have been granted approval-in-principal to come and invest in Hong Kong.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/6	Review of the Admission of Mainland Professionals Scheme	To review the operation of the Mainland Professionals Scheme with a view to deciding whether its scope should be expanded to cover other sectors apart from information technology and financial services.	Action completed. The review has been completed. Government has introduced the Admission Scheme for Mainland Talents and Professionals since July 2003. The new Scheme has no sectoral restriction. As at end-June 2004, the Immigration Department has received 3920 applications and approved 3248 of them.
SB/7	Business Visit Scheme (BVS) for Mainland business visitors coming to Hong Kong	The BVS is implemented by the Mainland public security authorities to regulate Mainland business visitors going to Hong Kong. After discussion with the HKSARG, the Mainland authorities agreed to extend the validity period of multiple business visit endorsement issued under the scheme from 6 months to up to a maximum period of 3 years. Fourteen days are allowed on each visit.	The new measure was introduced in December 2001. Mainland business visitors with valid travel documents issued by the Mainland authorities do not need to apply for separate entry permits from Imm D. They will be allowed to enter Hong Kong after normal immigration clearance. The daily average arrival of Mainland business visitors increased from some 3 000 in 2001 to over 8100 in the first six months of 2004.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/8	Introduction of iPermits for Taiwan visitors	The objective of the iPermit Scheme is to use information technology to shorten the processing time for entry applications from Taiwan visitors.	Action completed. The iPermit scheme was introduced in March 2002. In June 2004, some 760 applications are processed automatically by the iPermit system every day.
SB/9	To discuss with other countries with a view to securing visa-free access for holders of HKSAR passport	To maximise travel convenience for holders of HKSAR passport.	As at 1 July 1997 when HKSAR passport came into use, 37 countries granted visa-free access to HKSAR passport holders. As at 30 June 2004, 131 countries / territories have agreed to grant HKSAR passport holder visa-free access for a stay ranging from 7 days to 6 months.
SB/10	To introduce amendments to Dangerous Goods Ordinance, Cap.295 and its subsidiary legislation	To align the local regulatory regime with international requirements on the classification, labeling and packing of dangerous goods, thereby reducing operating costs of the import and export trades.	The Dangerous Goods (Amendment) Ordinance 2002 was passed by LegCo on 13 March 2002. The Administration is now preparing the subsidiary legislation to provide for the new regime.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/11	The Fire Services Department continues to adopt a fire engineering approach in processing the fire safety plans of large-scale building / infrastructure projects	To increase flexibility for consultants/Authorised Persons to address fire safety aspects in building/infrastructure projects of special nature and magnitude without strictly following the prescriptive fire safety code.	Given the flexibility, many consultants/Authorised Persons have been able to come up with innovative designs for buildings/infrastructure projects and cut down the time and cost of the construction without compromising fire safety.
SB/12	The Departmental Business Study for the Fire Services Department	To enhance the business-friendliness of FSD's operations in the inspection and certification of fire service and ventilation safety provisions in new buildings and licensed premises without compromising the standard of fire safety.	<p>The study was conducted from July 2003 to December 2003 by the Efficiency Unit. A total of 16 short, medium and long term measures were recommended.</p> <p>FSD has formed a Working Group headed by a Directorate Officer to follow up with the recommendations and monitor the progress.</p>