

**Panel on Commerce and Industry**

**Follow-up to meeting on 13 October 2003**

**Administration's response on mechanism / indicators to assess  
the performance and quantify the benefits of the  
Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)**

The Commerce, Industry and Technology Bureau (CITB) has discussed the question of quantifying the economic benefits of CEPA with the Government Economist. The shared view is that before the implementation of CEPA, any attempt to estimate the effect of CEPA has to be broadbrush. As this is a completely new arrangement, there is no well-established historical trend data to support assessment of the CEPA-induced economic impacts in quantitative terms, and even less so assessment at the micro-level. Moreover, the effect of CEPA most likely will be entwined with that of other concurring events and developments. Any attempt to isolate the CEPA effect will necessarily be judgmental, based on best knowledge of the relevant industry and the concerned product. Nevertheless, the Administration should be in a better position to review the situation after the implementation of CEPA when more statistics on trade and other related aspects become available to enable more objective judgment of trends and assessment of economic implications for both the Mainland and the Hong Kong economies.