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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2020-21

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 11

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CEDB(CIT)265	4237	CHAN Tanya	168	(3) Time Standard and Geophysical Services
CEDB(CIT)266	4876	CHAN Tanya	168	(-) -
CEDB(CIT)267	0710	HO Chun-ying, Steven	168	(1) Weather Services
CEDB(CIT)268	3444	IP Kin-yuen	168	(-) -
CEDB(CIT)269	6066	MO Claudia	168	(-) -
CEDB(CIT)270	0978	CHAN Chun-ying	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)271	4902	CHAN Tanya	181	(-) -
CEDB(CIT)272	6647	CHU Hoi-dick	181	(2) Trade Support and Facilitation
CEDB(CIT)273	0080	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)274	0088	CHUNG Kwok-pan	181	(2) Trade Support and Facilitation

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
CEDB(CIT)275	0271	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)276	0273	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)277	0426	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)278	6122	KWOK Wing-hang, Dennis	181	(2) Trade Support and Facilitation (3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)279	0399	LO Wai-kwok	181	(1) Commercial Relations
CEDB(CIT)280	6091	MO Claudia	181	(-) -
CEDB(CIT)281	0294	NG Wing-ka, Jimmy	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)282	0295	NG Wing-ka, Jimmy	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)283	0332	NG Wing-ka, Jimmy	181	(-) -
CEDB(CIT)284	0346	NG Wing-ka, Jimmy	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)285	2408	SHIU Ka-fai	181	(2) Trade Support and Facilitation
CEDB(CIT)286	2409	SHIU Ka-fai	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)287	1786	TAM Man-ho, Jeremy	181	(2) Trade Support and Facilitation
CEDB(CIT)288	0526	WONG Ting-kwong	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)289	2304	WONG Ting-kwong	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)290	1025	YEUNG Alvin	181	(2) Trade Support and Facilitation
CEDB(CIT)291	1026	YEUNG Alvin	181	(2) Trade Support and Facilitation

CONTROLLING OFFICER'S REPLY

CEDB(CIT)001

(Question Serial No. 3883)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of the establishment, salary provision and operational expenses of the Belt and Road Office (BRO) in 2020-21? During the period from January to February 2020, did the BRO assist other departments in liaising with and procuring from the face mask manufacturers in countries along the Belt and Road? If yes, how many face masks were procured with the BRO's assistance? If no, what are the reasons for not assisting other government departments in procuring face masks from countries along the Belt and Road?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 185)

Reply:

The Belt and Road Office (BRO) of the Commerce and Economic Development Bureau supports the Secretary for Commerce and Economic Development in leading and co-ordinating the relevant work of the Government in promoting the Belt and Road Initiative (B&RI), including strategy formulation and implementation of programmes and measures to capitalise on the opportunities brought by B&RI. Meanwhile, the work related to making procurement of surgical face masks is carried out by other department(s) within the Government.

In 2020-21, the BRO will have a total establishment of 21. The estimated overall expenditure is about \$39.958 million, of which salaries account for \$19.379 million, and operating expenses for \$20.579 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)002

(Question Serial No. 3884)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee:

- (1) with a breakdown by country, of the expenses allocated by the Hong Kong Tourism Board (HKTB) for promotion in different countries in 2019-20; and
- (2) with a breakdown by country, of the estimated expenses to be allocated by the HKTB for promotion in different countries in 2020-21?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 186)

Reply:

In recent years, the Hong Kong Tourism Board (HKTB) has been focusing its marketing resources on 20 key markets, they are the Mainland, Japan, Taiwan, South Korea, Singapore, the Philippines, Malaysia, Indonesia, Thailand, the US, Australia, the UK, Canada, Germany, France, India, Russia, the Gulf Cooperation Council (GCC) Markets, Vietnam and the Netherlands. These 20 markets together generate approximately 96% of all visitor arrivals to Hong Kong.

HKTB's revised estimates for 2019-20 and proposed budget for 2020-21 (yet to include the additional funding) in key source markets are listed below:

(HK\$M)	2019-20 Revised Estimates (including additional funding)	2020-21 Proposed Budget (not yet including additional funding)
<i>The Mainland</i>	22.6	30.0
<i>Short-haul Markets</i>	61.0	71.0
Japan	16.2	12.0
Taiwan	6.7	12.0
South Korea	9.0	12.0
Singapore	3.8	4.0
The Philippines	6.0	8.0
Malaysia	6.6	7.0
Indonesia	6.4	7.0
Thailand	6.1	9.0
<i>Long-haul Markets</i>	30.4	39.0
The US	10.3	12.0
Australia	6.2	8.0
The UK	5.7	8.0
Canada	3.1	4.0
Germany	3.6	4.5
France	1.5	2.5
<i>New Markets</i>	6.5	11.7
India	3.3	7.0
Russia	1.7	3.0
The GCC Markets	1.0	0.8
Vietnam	0.3	0.5
The Netherlands	0.2	0.4
Total Marketing Budget for Source Markets	120.6	151.7

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

HKTB is devising a detailed work plan for the additional funding provided by the Government and will allocate a certain part of resources to invest in source markets. HKTB will stay flexible in allocating resources depending on the market situation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)003

(Question Serial No. 3991)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government inform this Committee of the estimates of salary for the Secretary for Commerce and Economic Development in 2020-21?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 272)

Reply:

The provisions reserved for the salary in respect of the position of Secretary for Commerce and Economic Development for 2020-21 is \$4.18 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)004

(Question Serial No. 1058)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Estimate for 2020-21 is \$417.3 million, representing an increase of 38.5% over 2019-20. According to the notes to the indicators on page 311, the Estimate was devised in January 2020 before the global outbreak of COVID-19 infection. As the full impact of the virus on the tourism industry remains uncertain, the 2020 Estimate of the indicators is subject to further revision. Currently, as the epidemic has brought Hong Kong's tourism industry almost to a standstill and seemingly it is hard for the industry to recover in the short term, should we re-examine the 38.5% increase in the Estimate for 2020-21?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 23)

Reply:

The social event has dealt a heavy blow to the tourism industry in Hong Kong last year. The spread of the Coronavirus Disease 2019 has further aggravated the situation, under which the tourism industry in neighbouring countries and territories have also been affected. It is expected when the outbreak subsides, the competition within the Asian tourism industry will be further intensified. In this financial year, the Government has proposed to allocate more resources to the Hong Kong Tourism Board (HKTB) to support the trade, launch large-scale tourism promotion worldwide, restore visitor interest in travelling to Hong Kong and rebuild the city's tourism image.

In 2020-21, the Government has proposed to allocate about \$1500 million including recurrent provision and additional provision of about \$790 million, for HKTB to step up the promotion and revive the tourism industry when the epidemic is over. According to the latest estimates in early March 2020, the total expenditure of HKTB in 2019-20 has been reduced by more than \$200 million as compared with the original estimate, which is attributed to the cancellation of events and putting on hold some of the promotional activities. HKTB will apply to the Government for rolling over the remaining funds to 2020-21.

HKTB will closely monitor the latest development of the epidemic in Hong Kong and different parts of the world, and make adjustment to the plan in light of actual market situation where necessary to ensure optimal use of the funding.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)005

(Question Serial No. 1059)

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

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

Programme: (9) Subvention: Competition Commission

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Estimate for 2020-21 is \$22.9 million, representing an increase of 18.6% over 2019-20. According to the indicators shown on page 314, the estimated number of enquiries or complaints received in 2020 is 650. Nevertheless, the actual number of cases handled in 2018 and 2019 was 756 and 613 respectively, displaying a downward trend. Will the Bureau advise this Committee of the justifications in support of the 18.6% increase in the Estimate for 2020?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 24)

Reply:

The Government provides subvention to the Competition Commission (“the Commission”) to support its various functions to implement the Competition Ordinance. The subvention to the Commission for 2020-21 is estimated to be \$146.2 million, which includes \$120.5 million for the Commission’s daily operation and \$25.7 million for its litigation work. Compared to 2019-20, the increase in estimated subvention is \$22.9 million, 94% (\$21.6 million) of which is for supporting the Commission’s litigation work which is expected to increase in 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)006

(Question Serial No. 1467)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate for 2020-21 is \$122.7 million (25%) higher than that for 2019-2020. According to Page 305, the number of trade and services promotion events, an indicator of key performance measures in respect of promoting Hong Kong's external trade, is 861 in the estimate for 2020, a decrease of 2 when compared to that of 2018. Moreover, the actual figures of 863 in 2018 and 846 in 2019 reflect a downward trend. In view of the uncertainty over the development of the epidemic situation, will the Government advise on the justifications for the 25% increase in the estimate?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 22)

Reply:

The main functions of the Hong Kong Trade Development Council (TDC) are to promote, assist and develop Hong Kong's external trade. With its global network and years of experience in promoting external trade, TDC has been adjusting its trade and services promotion events according to the economic and market situation, as well as the needs of Hong Kong enterprises, in order to help them explore business opportunities more effectively.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale

exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)007****(Question Serial No. 4231)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in table form the details of complaints on sale of travel club membership received by the Consumer Council for the past 5 years:

Year	Number of cases relating to complaints on unfair trade practices	Number of substantiated cases after investigation	Number of cases successful in recovering money	Number of cases referred to enforcement officers for investigation	Number of convicted cases
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 197)

Reply:

The number of complaint cases on unfair trade practices regarding time-sharing/travel club membership received by the Consumer Council (the Council) in the past five years are listed in the following table. As the Council's functions do not include enforcement, the Council does not have statistics on investigation and conviction.

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2015	14	1	0
2016	23	2	1

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2017	82	2	4
2018	44	2	0
2019	51	14	2

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)008****(Question Serial No. 4232)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in table form the details of complaints on pyramid selling received by the Consumer Council for the past 5 years:

Year	Number of cases relating to complaints on unfair trade practices	Number of substantiated cases after investigation	Number of cases successful in recovering money	Number of cases referred to enforcement officers for investigation	Number of convicted cases
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 198)

Reply:

The Consumer Council does not maintain separate statistics on complaint cases on pyramid selling.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)009****(Question Serial No. 4233)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in table form the details of complaints on sale of fitness services received by the Consumer Council for the past 5 years:

Year	Number of cases relating to complaints on unfair trade practices	Number of substantiated cases after investigation	Number of cases successful in recovering money	Number of cases referred to enforcement officers for investigation	Number of convicted cases
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 199)

Reply:

The number of complaint cases on unfair trade practices regarding fitness services received by the Consumer Council (the Council) in the past five years are listed in the following table. As the Council's functions do not include enforcement, the Council does not have statistics on investigation and conviction.

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2015	431	188	5
2016	329	60	2

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2017	221	88	0
2018	415	87	3
2019	465	78	9

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)010****(Question Serial No. 4287)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in table form the details of complaints on unfair trade practices received by the Consumer Council for the past 5 years:

Year	Number of cases relating to complaints on unfair trade practices	Number of substantiated cases after investigation	Number of cases successful in recovering money	Number of cases referred to enforcement officers for investigation	Number of convicted cases
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 253)

Reply:

The number of complaint cases on unfair trade practices received by the Consumer Council (the Council) in the past five years are listed in the following table. As the Council's functions do not include enforcement, the Council does not have statistics on investigation and conviction.

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2015	4333	1283	229
2016	3078	835	141

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2017	3514	993	96
2018	3718	920	73
2019	3929	999	81

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)011****(Question Serial No. 4306)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in table form the details of complaints on sale of columbaria received by the Consumer Council for the past 5 years:

Year	Number of cases relating to complaints on unfair trade practices	Number of substantiated cases after investigation	Number of cases successful in recovering money	Number of cases referred to enforcement officers for investigation	Number of convicted cases
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 272)

Reply:

The number of complaint cases on unfair trade practices regarding sale of columbaria received by the Consumer Council (the Council) in the past five years are listed in the following table. As the Council's functions do not include enforcement, the Council does not have statistics on investigation and conviction.

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2015	2	0	0
2016	2	0	0

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2017	0	0	0
2018	1	0	0
2019	0	0	0

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)012****(Question Serial No. 4307)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in table form the details of complaints on sale of beauty services received by the Consumer Council for the past 5 years:

Year	Number of cases relating to complaints on unfair trade practices	Number of substantiated cases after investigation	Number of cases successful in recovering money	Number of cases referred to enforcement officers for investigation	Number of convicted cases
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 273)

Reply:

The number of complaint cases on unfair trade practices regarding beauty services received by the Consumer Council (the Council) in the past five years are listed in the following table. As the Council's functions do not include enforcement, the Council does not have statistics on investigation and conviction.

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2015	515	174	12
2016	444	153	6

Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2017	373	127	5
2018	310	93	5
2019	286	96	2

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)013

(Question Serial No. 4457)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on	(iv) Whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that
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		Interpretation and Application)	could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e.

		directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			

2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not

			which held the information under request		accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 362)

Reply:

During the period from October 2018 to September 2019, the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) received two requests for which only part of the required information was provided, and did not refuse any request for information under the Code on Access to Information (the Code).

As regards the two cases mentioned above for which only part of the required information was provided, for the first case, CITB provided only part of the information on the proposals and progress reports of three projects funded under the Professional Services Advancement Support Scheme as requested in accordance with paragraph 2.15 “Privacy of the individual”, paragraph 2.16 “Business affairs” and paragraph 2.17 “Premature requests” of the Code. For the second case, CITB provided only part of the information on the tender exercises for the facility management services for Kai Tak Cruise Terminal in 2015 and 2018 as requested in accordance with paragraph 2.9 “Management and operation of the public service”, paragraph 2.10 “Internal discussion and advice” and paragraph 2.14 “Third party information” of the Code. The decisions were made by officers at Point Two of the Directorate Pay Scale after conducting “harm or prejudice” tests which ascertain that the harm or prejudice that could result from disclosure of the information would outweigh the public interest in disclosure of the information in the cases.

During the period from 2015 to September 2019, no review case was received by CITB.

During the period from 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from date of receipt of a request were 8, 10 and 3 respectively. In addition, 1 request was

transferred to another department which held the information under request and 1 request was refused under the exemption provisions in Part 2 of the Code.

During the period from 2016 to September 2019, the main reason for not providing the information requested within 21 days from date of receipt of the requests was that longer time was required to consult the relevant parties as the requested information involved third parties.

During the period from 2016 to September 2019, there was 1 case where information could not be provided within 51 days from date of receipt of a request. The main reason was that longer time was required to prepare the information which was complex and detailed.

During the period from 2016 to September 2019, CITB did not consult the Privacy Commissioner for Personal Data on cases where requests for information were refused.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)014

(Question Serial No. 4901)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Hongkong Post from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to

			paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by the Hongkong Post from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that
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		Interpretation and Application)	could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge

			request		
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 471)

Reply:

From October 2018 to September 2019, among the requests for information under the Code on Access to Information (the Code) received by Hongkong Post (HKP), none was provided with only part of the requested information, and one was refused.

On the refusal case mentioned above, HKP refused to provide the application form in respect of a particular Post Office Box (PO Box) in accordance with paragraph 2.15 “Privacy of the individual” of the Code, and the request was not made by the renter of the subject PO Box. The decision was made by an officer at point 2 of the Directorate Pay Scale under the “harm or prejudice” test which concludes that disclosure of the information might result in harm or prejudice outweighing the public interest in this case.

From 2015 to September 2019, no request for review was received by HKP.

From 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from the date of receipt of a request were 27, 15 and 4 respectively. One request was refused during the period under the exemption provisions in Part 2 of the Code.

From 2016 to September 2019, information requested in a case could not be provided within 21 days from the date of receipt of request was mainly due to the time required to prepare the complex information required.

From 2016 to September 2019, there was no case where information could not be provided within 51 days from the date of receipt of a request.

From 2016 to September 2019, HKP did not consult the Privacy Commissioner for Personal Data on the case where request for information was refused.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)015****(Question Serial No. 3159)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards reinforcing the attractiveness of Hong Kong as “Events Capital of Asia” through better planning and strengthening the promotion and offerings by the Hong Kong Tourism Board (HKTB), measures include continuing to stage “A Symphony of Lights” to showcase the night vista of Hong Kong; continuing to host mega events such as International Chinese New Year Parade, Wine & Dine Festival, Great November Feast, Winter Light Shows; and continuing to support and publicise different signature/international events and home grown events. In this connection, please provide the details of the offerings, the respective estimates for the past 5 years and the coming year, the respective numbers of participants, and the total estimates for the past 5 years plus the coming year.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 991)

Reply:

To reinforce the attractiveness of Hong Kong as “Events Capital of Asia” and promote event tourism and thematic tourism, the Hong Kong Tourism Board (HKTB) has received additional funding from the Government from 2015-16 to 2020-21 as follows:

Financial Year	Amount (HK\$ million)
2015-16	25
2016-17	57
2017-18	162
2018-19	182
2019-20	209
2020-21	277

Details on the contents and number of participants of the mega events organised by HKTB from 2015-16 to 2019-20 are as follows:

1. Hong Kong Dragon Boat Carnival

Contents	Year	No. of participant
Apart from the international and local dragon boat races which took place at the Victoria Harbour, the event also comprised carnival, including stage performances, food trucks and activities booths, etc. The event had been relocated from Tsim Sha Tsui to Central since 2016-17.	2015-16	Around 167 000
	2016-17	Around 46 000
	2017-18	Around 71 000
	2018-19	Around 50 000
	2019-20	Not applicable (In view of the social events, the event was cancelled.)

2. e-Sports & Music Festival Hong Kong

Contents	Year	No. of participant
Inaugurated in 2017, the event featured e-Sports tournaments, e-sports experience zone and music performance, etc.	2017-18	Around 60 000
	2018-19	Around 80 000
	2019-20	Around 85 000

3. Hong Kong Pulse Light Show

Contents	Year	No. of participant
Coinciding with HKTB's "Hong Kong Summer Fun" and "Hong Kong WinterFest", this multimedia show with 3D projection mapping took place at the Hong Kong Cultural Centre and the Clock Tower in Tsim Sha Tsui.	2015-16	Around 775 000
	2016-17	Around 876 000
	2017-18	Around 730 000

4. Hong Kong Cyclothon

Contents	Year	No. of participant
The event was held across the territory, including various professional races and activities, which attracted local and international cyclists to join. The event added international road race in 2017 and introduced Hammer Series from Europe in 2018.	2015-16	Around 29 000
	2016-17	Around 56 000
	2017-18	Around 57 000
	2018-19	Around 70 000
	2019-20	Not applicable (In view of the social events, the event was cancelled.)

5. Hong Kong Wine & Dine Festival and Hong Kong Great November Feast (formerly known as Hong Kong Wine & Dine Month)

Contents	Year	No. of participant
Hong Kong Wine & Dine Festival was the kick-off event of Hong Kong Great November Feast. It featured hundreds of wine and food booths to provide a diverse culinary experience. During	2015-16	The number of participants for the Hong Kong Wine & Dine Festival was about 144 000. Since Hong Kong Wine & Dine Month encouraged

Contents	Year	No. of participant
the Hong Kong Great November Feast, a range of local restaurants and key dining districts rolled out a series of culinary events and special offers.		visitors to explore various districts in Hong Kong, it was difficult to estimate the actual attendance.
	2016-17	The number of participants for the Hong Kong Wine & Dine Festival was about 145 000. Since Hong Kong Wine & Dine Month encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the actual attendance.
	2017-18	The number of participants for the Hong Kong Wine & Dine Festival was about 141 000. Since Hong Kong Great November Feast encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the actual attendance.
	2018-19	The number of participants for the Hong Kong Wine & Dine Festival was about 168 000. Since Hong Kong Great November Feast encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the actual attendance.
	2019-20	In view of the social events, the Hong Kong Wine & Dine Festival was cancelled. Since Hong Kong Great November Feast encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the actual attendance.

6. Hong Kong WinterFest

Contents	Year	No. of participant
The event included the Status Square Christmas Tree and promotion of various attractions and events held in the city.	2015-16	Since the event encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the total actual attendance.
	2016-17	
	2017-18	

Contents	Year	No. of participant
In 2018-19, the event was organised in a new format as the Hong Kong Pulse Light Festival which featured three elements, namely the International Light Art Display, an enhanced edition of “A Symphony of Lights” and the Christmas tree in Statue Square in Central.	2018-19	Altogether, over 1 100 000 people visited the International Light Art Display and the Christmas tree in Statue Square in Central.
	2019-20	Since the event encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the total actual attendance.

7. New Year Countdown Celebrations

Contents	Year	No. of participant
A pyromusical countdown show illuminated at Victoria Harbour. The 2019 event included the enhanced edition of “A Symphony of Lights” above Victoria Harbour and the “Hong Kong New Year Countdown Lucky Draw”.	2015-16	Around 340 000
	2016-17	Around 336 000
	2017-18	Around 360 000
	2018-19	Around 350 000
	2019-20	Around 1 630 000 people participated in “Hong Kong New Year Countdown Lucky Draw”

8. International Chinese New Year Celebrations

Contents	Year	No. of participant
The event stages on the first night of Chinese New Year featuring floats as well as international and local performing groups. In 2019-20, the event was planned to change to a four-day carnival.	2015-16	Around 150 000
	2016-17	Around 150 000
	2017-18	Around 150 000
	2018-19	Around 155 000
	2019-20	Not applicable (In view of COVID-19 outbreak, the event was cancelled.)

Besides, HKTB also subsidised the staging of the following mega events and activities in Hong Kong from 2017-18 to 2019-20:

1. Hong Kong Tennis Open (sponsored organisation: Hong Kong Tennis Open Event Management Limited)

Contents	Year	No. of participant
Professional international tennis tournament	2017-18	Around 55 000
	2018-19	Around 72 000

2. Hong Kong Open (sponsored organisations: Hong Kong Golf Association and Hong Kong Golf Club)

Contents	Year	No. of participant
Professional international golf tournament	2017-18	Around 49 000
	2018-19	Around 50 000
	2019-20	Around 36 000 ^{Note}

Note: Preliminary figure. The actual number will be confirmed after HKTB has completed assessment of the evaluation report to be submitted by the event organiser.

3. Yu Lan Cultural Festival (sponsored organisation: Federation of Hong Kong Chiu Chow Community Organisations Charity Funds Limited)

Contents	Year	No. of participant
By participating in the Festival, visitors can experience the culture of paying respects to the deities, compassion, filial piety and mutual assistance.	2018-19	Around 17 000

4. Apleichau Hung Shing Culture Festival (sponsored organisation: Apleichau Kai Fong Tung Hing Association)

Contents	Year	No. of participant
Through different rituals in the Festival such as the release of water lanterns into the sea, dragon boat parade, Hung Shing Festival parade, traditional processions and variety shows, etc., visitors can experience the traditional Chinese festival and culture.	2018-19	Around 22 000

In view of the current development of the COVID-19 outbreak, HKTB will closely monitor the latest situation and make timely adjustment to the strategy and timing of organising mega events. It will also optimise use of the funding for making suitable arrangements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)016

(Question Serial No. 3164)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide:

1. the estimates of salary, benefits and allowances for the Secretary for Commerce and Economic Development in the coming financial year; and
2. the estimates of salary, benefits and allowances for each of the other politically appointed officials in the coming financial year.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 9004)

Reply:

The provisions reserved for the salary in respect of the positions of Secretary for Commerce and Economic Development (SCED), Under Secretary for Commerce and Economic Development (USCED) and Political Assistant (PA) to SCED for 2020-21 are \$4.18 million, \$2.72 million and \$1.05 million respectively. No provisions are reserved for the benefits and allowances for SCED, USCED and PA.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)017****(Question Serial No. 5625)**

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

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

Programme: (9) Subvention: Competition Commission

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please inform us the following for the past 5 years: (a) the respective figures on the enquiries and complaints received and the cases filed for investigation by the Competition Commission (the Commission); (b) the staffing provision for the Commission and the division of work among its staff.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 866)

Reply:

The number of complaints and enquiries received by the Competition Commission ("the Commission") each year since the full commencement of the Competition Ordinance in December 2015 are as follows:

Year	Number of complaints and enquiries
2015 (starting from 14 December 2015)	470
2016	1453
2017	767
2018	756
2019	613
Total	4059

In order to protect the confidentiality of investigation work, the Commission would not normally reveal the nature of cases involved and status of its investigations. Nevertheless, the Commission will provide through its annual reports an outline of the investigations carried out by it, a summary of complaints received, and an outline of all proceedings before the Competition Tribunal.

The Commission's manpower establishments for each year from 2015-16 to 2019-20 are 50, 58, 58, 62 and 65 respectively. About half of them are professional staff involved in investigations (including handling of enquiries and complaints). The remaining staff members provide support to the operation and other functions of the Commission, for instance conducting studies, research, publicity campaigns, public engagement and advocacy, providing advice on competition matters, etc. The executive arm of the Commission is headed by a Chief Executive Officer, who is underpinned by a Senior Executive Director and three Executive Directors to oversee three divisions, namely the (1) Operations Division; (2) Legal Division; and (3) Policy and Advocacy Division.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)018

(Question Serial No. 5626)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following details of each of the duty visits made by the Secretary and Under Secretary past 5 years in chronological order: (a) purpose and destination, (b) post titles of the local officials met, (c) number and post titles of the Hong Kong officials in entourage, (d) number of days of the visit, and (e) total expenditure incurred, including expenses on (i) transportation (air tickets and local transportation), (ii) accommodation, (iii) meals, (iv) banquets or entertainment and (v) gifts.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 867)

Reply:

In the five financial years from 2015-16 to 2019-20 (as at 29 February 2020), the overseas duty visits conducted by the Secretary for Commerce and Economic Development and the Under Secretary for Commerce and Economic Development are set out at the Appendix.

In the five financial years from 2015-16 to 2019-20 (as at 29 February 2020), the actual expenditures on official entertainment of the Director of Bureau's Office are about \$100,000, \$170,000, \$150,000, \$200,000 and \$110,000 respectively.

In line with the Government's green policy, public officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to the existing guidelines, where bestowal of gifts/souvenirs is necessary or unavoidable due to operational, protocol or other reasons, the gift/souvenir items should not be lavish or extravagant and the number should be kept to a minimum. Also, the exchange of gifts/souvenirs should only be made from organisation to organisation. As we do not

specifically maintain separate accounts for the expenses on the procurement of gifts and souvenirs, relevant statistics are not available.

Secretary for Commerce and Economic Development

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2015-16 (21 times)	Shanghai, Nansha, Malaysia (Kuala Lumpur), Wuhan, the Philippines (Boracay*, Cebu*, Manila* and Iloilo*), Jinan, Germany (Berlin), France (Paris and Burgundy), Canada (Toronto and Vancouver), USA (Chicago and San Francisco), Tianjin, Australia (Melbourne, Canberra, Adelaide and Sydney), Chile (Santiago), Mexico (Mexico City), Beijing*, Belgium (Brussels), Thailand (Bangkok), Switzerland (Davos) and Korea (Seoul)	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	0-2 each time	About HK\$648,000	About HK\$59,000	About HK\$76,000	About HK\$783,000
2016-17 (13 times)	United Kingdom (London), Lithuania (Vilnius), Canada (Calgary), Laos (Vientiane*), Guangzhou*, Dalian, Spain (Madrid), Peru (Lima*), Singapore, the Philippines (Manila), USA (Washington), Beijing*, Israel (Jerusalem and	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral	0-1 each time	About HK\$686,000	About HK\$45,000	About HK\$57,000	About HK\$788,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses <small>Note</small> (C)	Total expenditure (A)+(B)+(C)
	Tel Aviv), Switzerland (Geneva, Bern and Davos) and Ireland (Dublin)	meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.					
2017-18 (24 times)	Slovenia (Ljubljana), Italy (Milan), Macao*, Foshan, Guangzhou, Beijing*, Hefei*, Vietnam (Hanoi* and Danang*), Fuzhou, Netherlands (Schiphol and Hague), France (Paris), Shenzhen, the Philippines (Manila*), United Kingdom (London), Changsha*, Morocco (Marrakech*), Argentina (Buenos Aires), Belgium (Brussels), Switzerland (Davos), Cambodia (Phnom Penh), Vietnam (Ho Chi Minh City) and Macao	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people; and leading business delegation to explore new markets.	1-2 each time	About HK\$518,000	About HK\$76,000	About HK\$92,000	About HK\$686,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses <small>Note</small> (C)	Total expenditure (A)+(B)+(C)
2018-19 (15 times)	Greater Bay Area cities, Indonesia (Jakarta), Papua New Guinea (Port Moresby)*, Beijing*, France (Paris and Burgundy), Netherlands (Amsterdam), USA (Washington), Canada (Ottawa and Montreal), Shanghai*, Japan (Tokyo), Shenzhen*, Switzerland (Davos) and Thailand (Bangkok)*, Georgia (Tbilisi*), Hungary (Budapest) and Australia (Sydney)	Attending international conferences (e.g. informal ministerial meetings of the World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting Hong Kong's role in the Belt and Road Initiative; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	1-2 each time	About HK\$545,000	About HK\$86,000	About HK\$73,000	About HK\$704,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses <small>Note</small> (C)	Total expenditure (A)+(B)+(C)
2019-20 (as at 29.2.2020) (13 times)	Macao*, Beijing*, Chile (Viña del Mar*), United Kingdom (London), France (Paris), USA (New York, Washington, San Francisco and Los Angeles), Thailand (Bangkok*), Malaysia (Kuala Lumpur) and Switzerland (Davos)	Attending international conferences (e.g. informal ministerial meetings of the World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting Hong Kong's role in the Belt and Road Initiative; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	0-2 each time	About HK\$610,00	About HK\$42,000	About HK\$66,000	About HK\$718,000

Under Secretary for Commerce and Economic Development (the position was vacant from 1 July to 1 August 2018)

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2015-16 (4 times)	Shenzhen, Dongguan, Zhuhai* and Jiangmen*	Attending ceremonies of promotional events and conduct visits (e.g. HK-PRD Industrial and Commercial circle goodwill gathering)	0	About HK\$4,300	About HK\$600	About HK\$900	About HK\$5,800
2016-17 (6 times)	Dongguan, Chengdu, Guangzhou*, Shenzhen* and Nanchong*	Attending meetings, ceremonies of promotional events and conduct visits (e.g. HK-PRD Industrial and commercial circle goodwill gathering; and HK-GD Cooperation Joint Conference)	0	About HK\$20,000	About HK\$3,000	About HK\$3,000	About HK\$26,000
2017-18 (1 time)	Vietnam (Ho Chi Minh City*)	Attending meeting	0	About HK\$4,700	HK\$0	About HK\$900	About HK\$5,600
2018-19 (12 times)	Dongguan, Singapore, Guangzhou*, Xiamen, Macao*, Shenzhen, Qingyuan, Fujian and Zhuhai	Attending meetings, ceremonies of promotional events and conduct visits (e.g. HK-PRD Industrial and commercial circle goodwill gathering; and HK-Fujian Cooperation Conference)	0	About HK\$48,500	About HK\$8,000	About HK\$6,500	About HK\$63,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2019-20 (as at 29.2.2020) (11 times)	Shenzhen, Dongguan, Shanghai, Guangzhou, United Arab of Emirates (Dubai*), Korea (Seoul*), Guangxi* and Macao	Attending meetings, ceremonies of promotional events and conduct visits (e.g. Business delegation visit to emerging market and Legislative Council joint-Panel visit to the Yangtze River Delta Region)	0	About HK\$76,000	About HK\$3,500	About HK\$7,500	About HK\$87,000

* The visit receive sponsorship (such as hotel accommodation and/or local transportation) offered by government agencies / organisers of conferences or events, but actual value of the sponsorship is not available.

^{Note:} Other expenses include payment of subsistence allowance for duty outside Hong Kong and sundry expenses (if applicable).

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)019****(Question Serial No. 5627)**

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in tabular form information on the offices set up by the Hong Kong Trade Development Council outside Hong Kong in the past 5 years, including the estimated provision for each office, the number of staff and the estimated annual operational expenditure. Please also provide the amount of direct investment in Hong Kong made by the country or region where the office is located and the major types of investment.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 868)

Reply:

From 2015-16 to 2019-20, the Hong Kong Trade Development Council (TDC) established 7 overseas offices. Details of the relevant offices and the total bilateral trade between Hong Kong and the countries of these offices in 2019 are tabulated as follows:

Country	City where the TDC office is located	Date of Establishment	Budget in 2020-21 (HK\$)	Total bilateral trade between Hong Kong and the relevant country in 2019 (HK\$100 million)
Israel	Tel Aviv	May 2015	851,000	296.0
Singapore	Singapore	June 2015	5,627,000	3,626.6
South Korea	Seoul	April 2017	5,215,000	2,766.3
The Philippines	Manila	December 2017	677,000	1,056.3
Saudi Arabia	Riyadh	April 2018	875,000	156.2

Country	City where the TDC office is located	Date of Establishment	Budget in 2020-21 (HK\$)	Total bilateral trade between Hong Kong and the relevant country in 2019 (HK\$100 million)
Kazakhstan	Almaty	June 2018	538,000	14.6
Kenya	Nairobi	June 2018	810,000	16.0

To promote trade between Hong Kong and the relevant countries or regions, the above offices have been supporting TDC's promotion events and helping Hong Kong companies expand their businesses there. As regards attracting foreign direct investment to Hong Kong, it is under the purview of Invest Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)020****(Question Serial No. 6826)**

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out the monthly salaries, allowances and other expenses of the Secretary of Commerce and Economic Development in the past 5 years, the monthly pension he will receive on retirement and the total expenditure on his pension.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1311)

Reply:

The monthly salary in respect of the position of Secretary for Commerce and Economic Development in the past 5 years was as follows -

From April 2015 to June 2017	\$298,115
From July 2017 to June 2018	\$333,900
From July 2018 to June 2019	\$340,250
From July 2019 to March 2020	\$348,100

According to the remuneration package for politically appointed officials serving in the HKSAR Government, the Director of Bureau is not entitled to any pension benefits other than the Mandatory Provident Fund contributions by the Government.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)021****(Question Serial No. 1261)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has significantly cut the expenditure on travel and tourism under Programme (6) in the coming year by 35.6% to \$465 million only, but the provision allocated to the Hong Kong Tourism Board (HKTB) has increased 38.5% to \$1.5 billion. Why is there such a difference in the expenditures on promoting travel and tourism? How will the HKTB use the additional provision to help revive Hong Kong's tourism industry after the epidemic?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 72)

Reply:

Provision for Programme (6) in 2020–21 is \$465 million, which is \$257.4 million (35.6%) lower than the revised estimate for 2019–20. This is mainly due to the lapse of non-recurrent funding for setting up the Travel Industry Authority and partly offset by increased provision for the operating expenses.

The Government has proposed to provide additional funding of HK\$791 million to the Hong Kong Tourism Board (HKTB) in 2020-21 to step up promotion and revive the tourism industry. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226

Initiatives	Amount (HK\$ million)
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

When the related work plan is finalised, HKTB will set up different performance indicators based on the nature of the promotion work to assess its effectiveness. It will also optimise use of the funding in light of actual market situation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)022

(Question Serial No. 1262)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There will be a 25% increase in the provisions, which amount to \$614 million, for the Hong Kong Trade Development Council in the coming year. Please inform this Committee of which aspects will the additional resources be spent on specifically. Are there plans to use such additional resources to help local enterprises expand business after the epidemic ends so as to attract more mainland and overseas buyers to come and source goods and services in Hong Kong? If yes, what are the details?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 73)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong,

as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0212)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Financing Guarantee Scheme,

1) a concessionary low-interest loan with 100% guarantee will be introduced by the Government this year. What is the estimated expenditure, e.g. on publicity and promotion, required for operating this scheme? What is the manpower involved in discussing with banks details of the scheme? Please provide a breakdown and the relevant details.

2) what are the respective numbers of applications received and approved under the scheme, and the amounts of loans and guarantee involved in each of the past 3 years (i.e. 2017-2019), broken down by trade.

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 6)

Reply:

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS), for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

The Government estimates that the maximum expenditure under the Special 100% Guarantee Product will be around \$5.625 billion, which will be used for settling default claims, fees payable to participating lending institutions as well as necessary out-of-pocket

expenses (including publicity and promotion expenses, and enforcement and debt recovery expenses). All loan interest income received will be set aside to defray the costs incurred by the Hong Kong Mortgage Corporation Limited and the HKMC Insurance Limited, including the cost of funding in respect of loans, the administrative costs and expenditure including but not limited to manpower and management costs, related premises expenditure, and system development and maintenance costs. The remaining balance of interest income, if any, will be returned to the Government. The Commerce and Economic Development Bureau will be responsible for monitoring the implementation of the new measure, using existing resources to cover the additional manpower expenditure required. The relevant expenditure has been subsumed within the provision of the Commerce, Industry and Tourism Branch, and cannot be quantified this separately.

From 2017 to end February 2020, the details of applications received under the SFGS are set out in the table below :

80% Guarantee Product

	2017	2018	2019	2020 (up to end February)
Number of Applications Received	1 600	1 932	2 965	338
Number of Applications Approved	1 406	1 714	2 734	295
<u>The major beneficiary sectors</u>				
• Trading, Wholesale and Retail	809	939	1 469	153
• Manufacturing	183	215	287	20
• Engineering and Construction	133	161	286	42
• Others	281	399	692	80
Total Loan Amount Involved in the Applications Approved (\$)	5.614 billion	7.277 billion	13.772 billion	1.409 billion
<u>The major beneficiary sectors</u>				
• Trading, Wholesale and Retail	3.316 billion	4.204 billion	7.766 billion	0.767 billion
• Manufacturing	0.835 billion	1.127 billion	1.842 billion	0.119 billion
• Engineering and Construction	0.515 billion	0.569 billion	1.409 billion	0.150 billion
• Others	0.948 billion	1.377 billion	2.755 billion	0.373 billion

	2017	2018	2019	2020 (up to end February)
Total Guarantee Amount Involved in the Applications Approved (\$)	4.491 billion	5.822 billion	11.017 billion	1.127 billion
<u>The major beneficiary sectors</u>				
• Trading, Wholesale and Retail	2.653 billion	3.363 billion	6.213 billion	0.613 billion
• Manufacturing	0.668 billion	0.901 billion	1.473 billion	0.095 billion
• Engineering and Construction	0.412 billion	0.455 billion	1.127 billion	0.120 billion
• Others	0.758 billion	1.103 billion	2.204 billion	0.299 billion

90% Guarantee Product

	16 December 2019 to end February 2020
Number of Applications Received	390
Number of Applications Approved	319
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	137
• Engineering and Construction	25
• Manufacturing	22
• Others	135
Total Loan Amount Involved in the Applications Approved (\$)	0.528 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.221 billion
• Engineering and Construction	0.045 billion
• Manufacturing	0.032 billion
• Others	0.230 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.475 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.199 billion
• Engineering and Construction	0.039 billion
• Manufacturing	0.029 billion
• Others	0.208 billion

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)024

(Question Serial No. 0213)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The tourism industry is an important pillar of Hong Kong's economy. It is stated in the Budget that the tourism industry has suffered successive setbacks since the middle of last year, and an additional \$700 million will be allocated to the Hong Kong Tourism Board to step up promotion when the epidemic is over. In this connection, please advise the following:

1. Is there any plan to carry out the promotion in phases? If yes, how many phases will there be? What is the expenditure for each phase?
2. What is the expenditure involved in the staff establishment and promotion? Please advise in detail the industries that would be benefited from the Government's spending of \$700 million and the estimated additional revenue brought along. What favourable effects are expected on the economy?
3. The Financial Secretary said at a press conference on the day of the announcement of his Budget that, according to experts, the epidemic might be under control in summer. If that is the case, what are the first-round promotion plan and the estimated expenditure?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 7)

Reply:

In light of the COVID-19 outbreak, the Hong Kong Tourism Board (HKTB) has formulated the following strategic direction to be carried out in three phases:

Phase 1 (current): Work together to fight the outbreak

- HKTB is constantly providing instant updates to visitors and the travel trade, including the latest outbreak control measures implemented by the Government, on HKTB's official website (DiscoverHongKong.com). A dedicated section has been created to provide visitors with travel tips, such as information about the status of attractions. The daily operating hours of HKTB's Hotline Service have been extended to answer enquiries from visitors and trade partners, including hotels and shopping malls. In addition, HKTB is regularly disseminating the latest information to the travel trade in both Hong Kong and source markets; and
- HKTB is also actively consulting the trade to offer support and planning the promotion work for the next two phases.

Phase 2: Strengthen trade support and work with our trade partners on tactical promotions to attract visitors to Hong Kong

- HKTB will roll out campaigns to stimulate domestic consumption in order to rebuild the positive city ambience, boost consumer confidence in Hong Kong, and convey a positive message to source markets; and
- HKTB will also enhance its support for the travel trade by, for example, launching funding scheme to support travel trade's promotion work for visitor recovery, and working with the travel trade on promotions to stimulate visitors' interest in travelling to Hong Kong.

Final phase: Launch a new branding campaign to rebuild the tourism image of Hong Kong

- HKTB will leverage mega events, including the Hong Kong Sevens, which has been rescheduled to October 2020, to showcase Hong Kong's vibrant appeal;
- HKTB will launch a new tourism brand campaign, with promotions to be conducted in partnership with influential international media and digital platforms to attract the international spotlight, stand out from regional competitors, and rebuild Hong Kong's tourism image; and
- HKTB will also organise more trade activities and enhance its global promotions.

The related plans will be rolled out as soon as possible, contingent upon the abatement of COVID-19 outbreak in Hong Kong and key source markets, as well as the resumption of normal airline services between Hong Kong and other places. The expenditure of the different phases can hardly be quantified separately. To complement with the above plans, the additional funding of over \$700 million provided to HKTB will be used in the following initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image <ul style="list-style-type: none">• Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors.	226

Initiatives	Amount (HK\$ million)
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

Since these promotion initiatives will be jointly conducted by HKTB's head office and worldwide offices, the staff establishment for individual items can hardly be quantified separately.

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CONTROLLING OFFICER'S REPLY

CEDB(CIT)025

(Question Serial No. 0580)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has rolled out since last August several measures to alleviate the tourism industry's operating pressure. It is also mentioned in this Budget that the Government will allocate an additional amount of over \$700 million for the Hong Kong Tourism Board (HKTB) to step up promotion and revive the tourism industry when the epidemic is over. Please advise the following:

1. The Government launched a cash incentive scheme last October, making use of HKTB and the Travel Industry Council of Hong Kong's \$100 million reserve, to provide subsidy to travel agents. Under the scheme, travel agents can receive \$120 for each inbound overnight visitor, and \$100 for every outbound traveler. Please advise in detail the payment of subsidy since the launch of the scheme.
2. In regard to the additional provision of over \$700 million, what are the details of HKTB's coming promotion plan?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 1)

Reply:

The Travel Agents Incentive Scheme (TAIS) was launched on 18 November 2019, with the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC) as the implementation agents. The total commitment is expected to be about \$100 million. As at end February 2020, the HKTB and the TIC approved applications from about 680 travel agents in total, involving cash incentives of about \$21 million. The Green Lifestyle Local Tour Incentive Scheme (GLIS) was launched on 20 January 2020, with the TIC as the implementation agent. The total commitment is expected to be about \$50 million. As at end February 2020, the TIC approved applications from 2 travel agents in total, involving cash incentives of about \$18,000.

In view of the severe impact of the epidemic of Coronavirus Disease 2019 on the travel industry, the Government announced on 28 February 2020 that the deadlines for the TAIS and the GLIS be extended from end March and end July 2020 respectively to end December 2020, so as to allow more time for the trade to leverage the opportunity of the travel industry's recovery later and best utilise the resources under both schemes; and that under the TAIS, the maximum number of travellers for claiming cash incentives per travel agent be increased from 500 to 1 000, thus increasing the maximum amount of cash incentives that each travel agent can claim.

For the Government's proposed allocation of additional funding, the following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
<p>1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image</p> <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171

Initiatives	Amount (HK\$ million)
4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)026

(Question Serial No. 0583)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has announced that an additional funding of \$150 million will be allocated to the Trade Development Council for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations. Please advise the following in table form:

1. the details and the breakdown of the funding involved in relation to the above initiatives and projects; and
2. will the target markets and areas include, for example, other "Belt and Road" and European and American countries in addition to the ASEAN (Association of Southeast Asian Nations) Region and countries.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 4)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the

Design Gallery network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)027

(Question Serial No. 0584)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It has been announced in the Budget that a concessionary low-interest loan under the Small and Medium Enterprises (SME) Financing Guarantee Scheme, under which 100% guarantee provided by the Government, will be introduced. The application period will last for six months. The maximum amount of loan is subject to a ceiling of \$2 million. The repayment period is up to three years and a principal moratorium is available for the first six months during which only interest payments have to be made. Please advise:

- (1) the conditions for application of eligible enterprises;
- (2) in table form, the total number of applications received under the 90% Guarantee Product of the SME Financing Guarantee Scheme (SFGS) since its launch in December last year to February this year, how many applications have been approved, the distribution of related industries, as well as the total amount of loan and the total amount guaranteed involved; and
- (3) in table form, the total number of applications received under the 80% Guarantee Product of the SFGS as at February this year, how many applications have been approved, the distribution of related industries, as well as the total amount of loan and the total amount guaranteed involved.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 5)

Reply:

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS), for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

The new product is applicable to Hong Kong enterprises of all sectors with a genuine need. Loan applicants should have been operating and holding a valid Business Registration Certificate for at least three months at the end of December 2019, and provide proofs that they have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter in 2019.

From 16 December 2019 to end February 2020, the details of applications received under the 90% Guarantee Product under the SFGS are set out in the table below :

	16 December 2019 to end February 2020
Number of Applications Received	390
Number of Applications Approved	319
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	137
• Engineering and Construction	25
• Manufacturing	22
• Others	135
Total Loan Amount Involved in the Applications Approved (\$)	0.528 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.221 billion
• Engineering and Construction	0.045 billion
• Manufacturing	0.032 billion
• Others	0.230 billion

	16 December 2019 to end February 2020
Total Guarantee Amount Involved in the Applications Approved (\$)	0.475 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.199 billion
• Engineering and Construction	0.039 billion
• Manufacturing	0.029 billion
• Others	0.208 billion

From 2017 to end February 2020, the details of applications received under the 80% Guarantee Product under the SFGS are set out in the table below :

	2017	2018	2019	2020 (up to end February)
Number of Applications Received	1 600	1 932	2 965	338
Number of Applications Approved	1 406	1 714	2 734	295
<u>The major beneficiary sectors</u>				
• Trading, Wholesale and Retail	809	939	1 469	153
• Manufacturing	183	215	287	20
• Engineering and Construction	133	161	286	42
• Others	281	399	692	80
Total Loan Amount Involved in the Applications Approved (\$)	5.614 billion	7.277 billion	13.772 billion	1.409 billion
<u>The major beneficiary sectors</u>				
• Trading, Wholesale and Retail	3.316 billion	4.204 billion	7.766 billion	0.767 billion
• Manufacturing	0.835 billion	1.127 billion	1.842 billion	0.119 billion
• Engineering and Construction	0.515 billion	0.569 billion	1.409 billion	0.150 billion
• Others	0.948 billion	1.377 billion	2.755 billion	0.373 billion

	2017	2018	2019	2020 (up to end February)
Total Guarantee Amount Involved in the Applications Approved (\$)	4.491 billion	5.822 billion	11.017 billion	1.127 billion
<u>The major beneficiary sectors</u>				
• Trading, Wholesale and Retail	2.653 billion	3.363 billion	6.213 billion	0.613 billion
• Manufacturing	0.668 billion	0.901 billion	1.473 billion	0.095 billion
• Engineering and Construction	0.412 billion	0.455 billion	1.127 billion	0.120 billion
• Others	0.758 billion	1.103 billion	2.204 billion	0.299 billion

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)028

(Question Serial No. 0585)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hit by the violent social incidents in 2019, exports of travel services plunged and led to a fall of 10.4% in exports of services for 2019 as a whole, the largest annual decline on record. Please advise on the following:

- (1) The total amount of exports of services in Hong Kong, the respective amounts involved in various aspects and the distribution in percentage in the past 5 years.
- (2) What are the changes in amount and percentage of exports of travel services against the total exports of services for now and during the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003?
- (3) What is the annual decline in exports of services in Hong Kong when the travel industry experienced contraction during the SARS outbreak in 2003? What is the estimated decline in our exports of services in 2020 as a result of a further shrinkage of the travel industry caused by the novel pneumonia epidemic? Is it likely to be greater than 10.4% in 2019? If yes, what are the reasons? If no, what are the reasons?
- (4) What are the present employment size and percentage share of travel-related industries compared with 2003 when there was a SARS outbreak? What was the unemployment rate of the travel-related industries in 2003? What is the expected pressure on the unemployment rate of the local job market caused by the novel pneumonia epidemic compared with the year?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 7)

Reply:

The value, percentage share and percentage change in real terms of exports of services by service component published by the Census and Statistics Department are as follows:

		2003	2015	2016	2017	2018	2019	
Total exports of services	Value (HKD billion) [#]	263.6	808.9	764.7	811.3	886.9	793.9	
	Share (%)	100	100	100	100	100	100	
	Change in real terms (%) [*]	+3.4	+0.3	-3.5	+2.8	+4.6	-10.4	
of which:	Transport	Value (HKD billion) [#]	107.8	230.9	218.7	237.4	258.8	236.3
		Share (%)	41	29	29	29	29	30
		Change in real terms (%) [*]	+0.7	+0.7	+1.3	+6.5	+3.4	-7.5
	Travel	Value (HKD billion) [#]	55.6	280.2	255.0	259.8	289.0	227.6
		Share (%)	21	35	33	32	33	29
		Change in real terms (%) [*]	-3.4	-3.5	-8.6	+1.5	+8.9	-21.0
	Financial services	Value (HKD billion) [#]	29.3	148.7	138.3	157.0	174.1	167.9
		Share (%)	11	18	18	19	20	21
		Change in real terms (%) [*]	+8.6	+9.4	-5.1	+2.1	+2.0	-2.5
	Other services	Value (HKD billion) [#]	70.9	149.2	152.7	157.0	165.0	162.2
		Share (%)	27	18	20	19	19	20
		Change in real terms (%) [*]	+10.8	-0.9	+0.2	+0.1	+2.1	-3.8

[#] At current market prices

^{*} Derived by values in chained (2017) dollars

As shown in the table above, exports of travel services fell by 3.4% in 2003, accounting for about 21% of total exports of services. As the exports of other service components such as financial services recorded a growth in the year, total exports of services rose by 3.4%. In 2019, exports of travel services plunged by 21.0%, accounting for 29% of total exports of services. Total exports of services also declined markedly by 10.4%.

As for the labour market, the current labour market situation and that in 2003 are quite different. The overall unemployment rate then had already risen to above 7% before the Severe Acute Respiratory Syndrome (SARS) outbreak due to the burst of the dot-com bubble in 2000 and the subsequent slowdown in the global economy, while the overall unemployment rate in the latest period was still much lower than the level back then. According to statistics provided by the Census and Statistics Department, during the second quarter of 2003 when Hong Kong was affected by SARS, the number of employed persons in the tourism-related industries was about 491 400, accounting for about 15.5% of the total number of employed persons. The unemployment rate in these industries was 13.4% at

that time. As for the period from December 2019 to February 2020, the number of employed persons in these industries was 552 100, accounting for about 14.6% of the total number of employed persons. The unemployment rate in these industries was 6.1%.

Amid the threat of the Coronavirus Disease 2019, there have been very few visitors to Hong Kong, thereby taking a heavy toll on exports of travel services. The fall in visitor arrivals deteriorated drastically from 52.7% year-on-year in January to 96.4% in February. Besides, the epidemic has severely disrupted production activities and freight arrangements in Asia as well as operation of the global supply chain. It has also dealt a blow to the global economy. Hence, other major segments of exports of services will also be hampered.

The performance of exports of travel services as well as overall exports of services for the whole year will depend on the duration and severity of the epidemic, the development of the local social incidents and the performance of the global economy. Sharp declines are likely to be recorded in the first half of the year. As for the labour market, many enterprises in sectors hard hit by the epidemic have adopted various measures to cut operating costs. There could possibly be more closures and layoffs in the near term. Moreover, the epidemic is posing a serious threat to the global economy, weighing on the performance of Hong Kong's external trade. As a result, the labour market will be under even greater pressure. The magnitude of the pressure on the labour market will also depend on the duration and severity of the epidemic, as well as the developments of the local social incidents and the global economy. The Government will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)029

(Question Serial No. 0628)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As stated under Programme (2) of this Head, the Commerce, Industry and Tourism Branch's main responsibilities are to formulate policies to support small and medium enterprises (SMEs). Please advise on the following:

1. In response to the difficulties encountered by the SMEs due to novel coronavirus infection, how much resources will be allocated by the Government to help SME operators tide over this difficult period?
2. What measures (such as providing low-interest loans) will be taken to support the SMEs by the Government in reality? What are the details?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 27)

Reply:

The Government recognises that various sectors have been facing difficulties in running their businesses since early 2019, suffering from the threefold impact of the US-China trade conflict, social incidents and the COVID-19 outbreak. To this end, the Government has since August 2019 implemented four rounds of relief measures amounting to more than \$30 billion. More than \$120 billion of counter-cyclical measures were also announced in the Budget to support various sectors, with a view to attaining the targets of "support enterprises, safeguard jobs, stimulate the economy and relieve people's burden". Such measures include waiving profits tax, rates for non-domestic properties and business registration fees, subsidising electricity charges, waiving water and sewage charges as well as reducing rental and charges for Government premises and Government land, etc.

In order to relieve the liquidity problem facing small and medium enterprises (SMEs), the HKMC Insurance Limited (HKMCI) provides loans at a substantially reduced guarantee fee to enterprises through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS). Since November 2018, three enhancement measures have been made to the 80% Guarantee Product (including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years); and in September 2019, the Government introduced the arrangement for principal moratorium for maximum 12 months under the SFGS and Trade and Industry Department's SME Loan Guarantee Scheme. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

The Government has announced in this year's Budget the introduction of a concessionary low-interest loan with 100% Government guarantee under the SFGS applicable to SMEs of all sectors, for which the Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)030

(Question Serial No. 2860)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government offers another six months of fees and rent reduction for cruise lines and existing tenants of the cruise terminal. As such, the government revenue is expected to decrease by \$18 million. Please provide the following in table form:

1. How are the cruise lines benefited from the previous rounds of relief measures and the further fees reduction measures announced in the Budget? Please list their company names, the amount involved and the fees reduction items.
2. How are the tenants of the cruise terminal benefited from the previous rounds of relief measures and the further rent reduction measures announced in the Budget? Please provide the number of tenants and the amount of rent involved.
3. What are the respective numbers of cruise trips departing from/returning to Hong Kong via the Kai Tak Cruise Terminal or the Ocean Terminal which have been cancelled due to the outbreak of the novel coronavirus? How are they compared to the estimated total number of ship calls in the year?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 6)

Reply:

To support cruise lines' continuous deployment and berthing in Hong Kong and promote the business of relevant sectors, the Government has offered fees and rent reduction for cruise lines and existing tenants at Kai Tak Cruise Terminal (KTCT) with effect from 1 December, 2019. The measure will extend from six months to one year, i.e. till 30 November, 2020.

As of late February, 10 cruise lines with 44 ship calls at KTCT have benefited from dockage and passenger fees reduction of around HK\$9 million. 6 tenants of the ancillary commercial areas of KTCT had rent reduction in the amount of about HK\$2 million.

Originally it was forecasted there would be around 200 ship calls berthing in Hong Kong in 2020, with around 85% at KTCT and around 15% at Ocean Terminal. As of early March, more than 30% of the originally scheduled ship calls visiting Hong Kong this year have been cancelled. In view of the COVID-19 outbreak, the figures will continue to change when the situation evolves.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)031

(Question Serial No. 2863)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How many resources, including the funds injected, were allocated by the Government in the past 5 financial years to support the Consumer Legal Action Fund (the Fund)? What was the financial position of the Fund in each of the past 5 years, and what was its balance as at the end of 2019?
2. How many cases were handled under the Fund in each of the past 5 years? Please set out the cases with brief description by category. Among these cases, how many were further followed up each year by providing legal advice, legal assistance or legal representation by a solicitor and a counsel? Were there any cases in which applicants were financially supported and what was the amount involved in each case? Please tabulate the above information.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 38)

Reply:

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

In considering applications to the Fund, factors for consideration include whether significant consumer interest and injustice are involved, the number of consumers affected, the chance of success in litigation, and whether there would be deterrent effect on unscrupulous business practices. Legal assistance may be in the form of advice, assistance and

representation by solicitor and counsel. The Fund does not provide direct monetary support to the assisted consumers.

From 2014-15 to 2018-19, the expenditure of the Fund each year and the balance of the Fund were as follows:

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditure	\$2,895,859	\$2,937,877	\$2,465,604	\$1,841,757	\$1,893,838
Year-end Balance of the Fund	\$13,921,645	\$11,285,384	\$8,942,136	\$7,203,085	\$15,898,239

The Government injected \$10 million to the Fund in 2018-19 to support the operation of the Fund, ensuring that the Fund has sufficient resources to assist consumers in need in cases involving significant consumer interest. As at 31 December 2019, the balance of the Fund (unaudited) was \$15.89 million.

From 2014-15 to 2018-19, the number of applications received by the Management Committee of the Fund, brief descriptions of the nature of newly assisted applications and the monetary amount involved, etc., are set out in the table below.

Applications received and newly assisted applications

Year	Number of applications received	Number of newly assisted cases	Nature of newly assisted cases#	Amounts in dispute (not including interests and costs)
2018-19	19	4	Columbarium* (2)	N/A
			Timeshare agreement (1)	\$3,000.00
			Fitness services agreement (1)	\$69,840.00
2017-18	13	4	Beauty services agreement (1)	\$280,000.00
			Beauty services agreement (1)	\$14,000.00
			Beauty services agreement (1)	\$4,800.00
			Beauty services agreement (1)	\$677,205.36
2016-17	16	1	Money lender and loan broker (1)	\$428,400.00
2015-16	9	2	Management property services* (1)	N/A
			Beauty services agreement (1)	\$78,899.50
2014-15	21	10	Dental services (8)	\$124,054.35
			Personal injuries (1)	\$289,652.00
			Home renovation services (1)	\$245,000.00
Total	78	21		\$2,214,851.21

Note

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

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

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)032

(Question Serial No. 2864)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information:

1. Number of applications received and approved by the Government for redevelopment or wholesale conversion of industrial buildings into hotels in each of the past 3 years; the location of the relevant cases approved; the plot ratio of the projects involved; the gross floor area and the number of hotel rooms;
2. Number of additional hotels of various ratings and rooms each year between 2019 and 2023, their locations, as well as the total number of hotels and rooms across the districts;
3. The monthly average occupancy rates of hotel rooms in Hong Kong in the past 3 years;
4. Number of visitor arrivals under the Individual Visit Scheme and through inbound Mainland tour groups, and the changes in their percentages among the total Mainland visitor arrivals in the past 3 years;
5. Number of overnight visitor arrivals under the Individual Visit Scheme and through inbound Mainland tour groups, and the changes in their percentages among the total Mainland overnight visitor arrivals in the past 3 years;
6. The respective percentages of visitors from the Mainland and other overseas regions or countries among the overnight visitor arrivals in the past 3 years.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 39)

Reply:

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

According to the information provided by the Lands Department, in the past three years (from 1 January 2017 to 31 December 2019), two lease modification applications for hotel development were executed under the 2009 Measures. Brief summary of these two cases are set out in the table below:

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

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

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

On the other hand, three special waiver applications for wholesale conversion of IBs for hotel purpose were executed in the past three years (1 January 2017 to 31 December 2019) under the 2009 Measures. Brief summary of these three cases are set out in the table below:

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

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

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

Based on information from the Hong Kong Tourism Board (HKTB), the actual and estimated increases in the number of hotels in 2019-23, in terms of regions and categories, are as follows:

		Increase in number of hotels				
		Actual increment	Estimated increment			
			2019	2020	2021	2022
Hong Kong Island		+2	+8	+1	+1	-
Category:	High tariff A hotels	-	*			
	High tariff B hotels	-				
	Medium tariff hotels	+2				
	Unclassified hotels	-				
Kowloon		+8	+6	+2	+1	+1
Category:	High tariff A hotels	+2	*			
	High tariff B hotels	+2				
	Medium tariff hotels	+4				
	Unclassified hotels	-				
New Territories and Islands		+2	+3	+1	-	-
Category:	High tariff A hotels	-	*			
	High tariff B hotels	+1				
	Medium tariff hotels	+2				
	Unclassified hotels	-1				
Total		+12	+17	+4	+2	+1
Category:	High tariff A hotels	+2	*			
	High tariff B hotels	+3				
	Medium tariff hotels	+8				
	Unclassified hotels	-1				

- Unchanged

* Regarding hotel information for 2020-23, these hotels have not been categorised as they are not yet opened for business.

Based on information from the HKTB, the actual and estimated increases in the number of hotel rooms in 2019-23, in terms of regions and categories, are as follows:

		Increase in number of hotel rooms				
		Actual increment	Estimated increment			
			2019	2020	2021	2022
Hong Kong Island		-475	+1,527	+460	+69	-
Category:	High tariff A hotels	-415	*			
	High tariff B hotels	+1				
	Medium tariff hotels	+182				
	Unclassified hotels	-243				
Kowloon		+2,055	+644	+502	+72	+178
Category:	High tariff A hotels	+1,220	*			
	High tariff B hotels	+589				
	Medium tariff hotels	+253				
	Unclassified hotels	-7				
New Territories and Islands		+1,044	+2,021	+380	-	-
Category:	High tariff A hotels	-	*			
	High tariff B hotels	+618				
	Medium tariff hotels	+466				
	Unclassified hotels	-40				
Total		+2,624	+4,192	+1,342	+141	+178
Category:	High tariff A hotels	+805	*			
	High tariff B hotels	+1,208				
	Medium tariff hotels	+901				
	Unclassified hotels	-290				

- Unchanged

* Regarding hotel information for 2020-23, these hotels have not been categorised as they are not yet opened for business.

Based on information from the HKTB, the actual and estimated numbers of hotels in 2019-23, in terms of regions and categories, are as follows:

		Number of hotels				
		Actual	Estimated			
			2019	2020	2021	2022
Hong Kong Island		129	137	138	139	139
Category:	High tariff A hotels	14	*			
	High tariff B hotels	50				
	Medium tariff hotels	48				
	Unclassified hotels	17				
Kowloon		131	137	139	140	141
Category:	High tariff A hotels	22	*			
	High tariff B hotels	43				
	Medium tariff hotels	52				
	Unclassified hotels	14				
New Territories and Islands		43	46	47	47	47
Category:	High tariff A hotels	2	*			
	High tariff B hotels	12				
	Medium tariff hotels	28				
	Unclassified hotels	1				
Total		303	320	324	326	327
Category:	High tariff A hotels	38	*			
	High tariff B hotels	105				
	Medium tariff hotels	128				
	Unclassified hotels	32				

* Regarding hotel information for 2020-23, these hotels have not been categorised as they are not yet opened for business.

Based on information from the HKTB, the actual and estimated numbers of hotel rooms in 2019-23, in terms of regions and categories, are as follows:

		Number of hotel rooms				
		Actual	Estimated			
			2019	2020	2021	2022
Hong Kong Island		26,608	28,135	28,595	28,664	28,664
Category:	High tariff A hotels	7,032	*			
	High tariff B hotels	11,513				
	Medium tariff hotels	6,462				
	Unclassified hotels	1,601				
Kowloon		36,470	37,114	37,616	37,688	37,866
Category:	High tariff A hotels	11,072	*			
	High tariff B hotels	13,352				
	Medium tariff hotels	7,844				
	Unclassified hotels	4,202				
New Territories and Islands		21,011	23,032	23,412	23,412	23,412
Category:	High tariff A hotels	1,540	*			
	High tariff B hotels	7,210				
	Medium tariff hotels	12,253				
	Unclassified hotels	8				
Total		84,089	88,281	89,623	89,764	89,942
Category:	High tariff A hotels	19,644	*			
	High tariff B hotels	32,075				
	Medium tariff hotels	26,559				
	Unclassified hotels	5,811				

* Regarding hotel information for 2020-23, these hotels have not been categorised as they are not yet opened for business.

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

	Monthly average hotel room occupancy rate (%)		
	2017	2018	2019
Jan	87	92	92
Feb	87	90	91
Mar	90	93	92
Apr	89	92	89
May	84	88	88
Jun	87	90	87
Jul	90	91	86
Aug	91	94	66
Sep	87	86	63
Oct	92	92	68
Nov	95	95	66
Dec	92	94	61

According to the statistics provided by the Immigration Department, figures relating to Mainland visitor arrivals from 2017 to 2019 are as follows:

	Mainland visitors travelling under the Individual Visit Scheme	
	Arrival (Million) (Rate of change)	Proportion among overall visitor arrivals (Change)
2017	25.38 (+4.8%)	43.4 (+0.6 percentage point)
2018	31.30 (+23.3%)	48.0 (+4.6 percentage points)
2019	25.12 (-19.8%)	44.9 (-3.1 percentage points)

	Mainland overnight visitors travelling under the Individual Visit Scheme	
	Arrival (Million) (Rate of change)	Proportion among overall overnight visitor arrivals (Change)
2017	9.46 (+6.7%)	33.9 (+0.5 percentage point)
2018	10.68 (+12.9%)	36.5 (+2.6 percentage points)
2018	8.22 (-23.0%)	34.6 (-1.9 percentage points)

According to the information of the Travel Industry Council of Hong Kong (TIC), the numbers of Mainland inbound tour groups that travel agents registered with the TIC and the visitor arrivals involved are as follows:

	Number of Mainland inbound tour groups registered with the TIC (Rate of change)	Visitor arrivals involved (Rate of change)
2017	75 701 (+28.3%)	2 061 896 (+35.4%)
2018	73 272 (-3.2%)	2 109 597 (+2.3%)
2019	51 637 (-29.5%)	1 477 636 (-30.0%)

According to the statistics provided by the Immigration Department, the proportions of Mainland and non-Mainland overnight visitors among overall overnight visitors in the past three years are as follows:

	Overnight visitor arrivals	
	The proportion of Mainland visitors (%)	The proportion of non-Mainland visitors (%)
2017	66	34
2018	68	32
2019	68	32

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)033

(Question Serial No. 2865)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2019-20, the Administration plans to commission a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The estimated budget for the consultancy study is \$3 million. What is the completion date of the study? If the study has been completed, what are the findings? Will the findings be promulgated afterwards?

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

Reply:

We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The study is anticipated to be completed within 2020-21. After completion of the study, we will consider the recommendations and devise relevant details.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)034

(Question Serial No. 2866)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information and data:

1. The utilisation of the Kai Tak Cruise Terminal (KTCT), including the number of ship calls and the percentage of leased venues in the terminal building in each of the past 4 years;
2. Please tabulate the resources allocated by the Government, including the manpower and amount of public money, as well as their rates of increase, for monitoring the operation of the KTCT and working closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region in each of the past 3 years;

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 41)

Reply:

The number of ship calls at Kai Tak Cruise Terminal (KTCT) in the past 4 years is tabulated below –

Year	Number of ship calls
2016	95
2017	186
2018	170
2019	175

The usage situations of the ancillary commercial areas of the KTCT in the past 4 years are tabulated below-

Year (As at March)	Occupied floor area as a percentage of the ancillary commercial areas	Number of merchants occupying the commercial areas
2017	93%	6
2018	100%	7
2019	100%	7
2020	100%	7

Note: one merchant has ceased operation due to its own operational issues.

The Government has been closely monitoring the operation of the KTCT through the KTCT Management Committee formed by relevant Government departments and the terminal operator, day-to-day meetings, site visits, work reports, correspondence and discussions, etc. We will also arrange staff to perform inspections at the KTCT during special operations (e.g. simultaneous berthing of two cruise ships, inclement weather, and during large-scale events) or when necessary. The inspections cover the transportation area, passenger clearance facilities, plant rooms and passenger waiting halls to ensure the smooth operation of the KTCT.

Besides, Tourism Commission (TC) has been, through the Advisory Committee on Cruise Industry (ACCI), exploring ways to facilitate Hong Kong's development into a leading cruise hub in the region. In 2019, TC consulted members of ACCI in the course of preparing for a new tenancy of the KTCT, with a view to improving the existing arrangements in various aspects, including passenger services, terminal operations, leasing mechanism, performance monitoring, etc.

The manpower and expenditure involved for carrying out the work above have subsumed into the allocation for the Commerce, Industry and Tourism Branch of this Bureau, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)035

(Question Serial No. 2867)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise the following in respect of the Hong Kong Trade Development Council (HKTDC) for the past 3 years:

1. the number of “trade promotion events” and “local fairs” organised annually;
2. the respective numbers of local fairs held at the Hong Kong Convention and Exhibition Centre (HKCEC) in Wan Chai and AsiaWorld-Expo (AWE);
3. the ratio of local, Mainland and overseas exhibitors participating in local fairs;
4. the annual expenditure on organising local fairs and the percentage against HKTDC’s overall expenditure;
5. the annual income generated from organising local fairs and the percentage against HKTDC’s overall income; and
6. regarding promotion of Hong Kong as a commercial hub for the Belt and Road (B&R) Initiative, the specific activities and work, as well as the resources and manpower involved, and the specific work plan for the coming year.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 42)

Reply:

The following table shows the figures related to trade and services promotion events and exhibitions organised by the Hong Kong Trade Development Council (TDC) in 2016-17, 2017-18 and 2018-19:

	2016-17	2017-18	2018-19
Trade and services promotion events	844	883	862
Venue of local fairs			
Hong Kong Convention and Exhibition Centre	32	33	33
AsiaWorld-Expo	5	4	4
Total number of local fairs	37	37	37
Percentages of exhibitors of local fairs			
Local exhibitors	34%	31%	30%
Other exhibitors	66%	69%	70%
Total	100%	100%	100%
Exhibitions and missions*			
Expenditure	\$1.284 billion	\$1.286 billion	\$1.359 billion
As a percentage of TDC's total expenditure	47%	47%	48%
Income	\$1.942 billion	\$1.960 billion	\$2.002 billion
As a percentage of TDC's total income	70%	69%	68%

* Expenditure and income above include those for all exhibitions and missions, etc. Expenditure and income for local fairs cannot be quantified separately.

TDC organised a variety of events to help Hong Kong companies tap opportunities under the Belt and Road Initiative. Among them, to establish Hong Kong as the information hub of the Belt and Road Initiative, TDC launched the *Belt and Road Portal* in December 2015. Furthermore, since 2016, the Government and TDC co-organised the *Belt and Road Summit* every year. The fourth Summit held last year attracted over 5 000 government officials and business leaders from about 70 countries and regions, with over 240 investment projects featured and over 700 one-to-one business matching meetings arranged. To help consolidate Hong Kong's market status and its role as the commercial hub of the Belt and Road Initiative, TDC set up the Belt and Road Committee in 2017. In light of the opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, the Belt and Road Committee was restructured as the Belt and Road & Greater Bay Area Committee in October 2019, and three task forces were set up to concentrate on opportunities for Hong Kong arising from the development of overseas industrial parks, smart city, digital connectivity and start-ups. In June 2018, TDC set up the *Belt and Road International Forum* with a membership of over 140 organisations in over 30 countries and regions. Furthermore, TDC organised various missions and large-scale campaigns in major business centres to tap opportunities along the Belt and Road.

In 2020-21, TDC will continue to promote the Belt and Road Initiative through organising various events, including co-organising with the Government the fifth *Belt and Road Summit*, which will be a two-day anchor event of the *Belt and Road Week*; continuing

expansion of the *Belt and Road Global Forum*; enriching the content of the *Belt and Road Portal*; and staging large-scale promotional events in countries along the Belt and Road to help Hong Kong companies seize new opportunities. Furthermore, TDC will organise missions for specific sectors to countries along the Belt and Road, so that Hong Kong companies can obtain first-hand understanding of the investment environment and business opportunities.

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

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)036****(Question Serial No. 2868)**

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

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

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

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 43)

Reply:

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

Offence	Relevant information	2015	2016	2017	2018	2019
False trade descriptions	Number of cases investigated	107	92	78	89	106
	Number of prosecution cases	59	36	47	34	49

Offence	Relevant information	2015	2016	2017	2018	2019
False trade descriptions	Number of convictions (company/individual)	66	40	43	42	49
	Fine	\$1,000 to \$67,800	\$2,000 to \$90,000	\$500 to \$120,000	\$1,000 to \$130,000	\$1,000 to \$50,000
	Imprisonment (without suspended sentence)	From 14 days to 3 months	2 months	6 months	-	3 months
	Imprisonment (with suspended sentence)	From 2 months (suspended for 2 years) to 3 months (suspended for 2 years)	From 14 days (suspended for 1 year) to 8 months (suspended for 2 years)	From 2 months (suspended for 2 years) to 4 months (suspended for 2 years)	From 14 days (suspended for 1 year) to 6 months (suspended for 3 years)	From 2 months (suspended for 3 years) to 8 months (suspended for 2 years)
	Community Service Orders	From 120 hours to 240 hours	60 hours	From 80 hours to 200 hours	From 80 hours to 240 hours	From 50 hours to 180 hours
	Probation Order	12 months	-	-	-	-
Misleading omissions	Number of cases investigated	18	12	10	5	6
	Number of prosecution cases	12	6	7	10	6
	Number of convictions (company/individual)	10	8	11	7	5
	Fine	\$1,000 to \$20,000	\$2,000 to \$100,000	\$4,000 to \$30,000	\$3,000 to \$5,000	\$2,000 to \$3,000
	Imprisonment (without suspended sentence)	From 20 days to 10 weeks	From 2 weeks to 2 months	10 weeks	-	-
	Imprisonment (with suspended sentence)	From 2 months (suspended for 2 years) to 6 months (suspended for 3 years)	3 months (suspended for 2 years)	3 weeks (suspended for 2 years)	2 months (suspended for 2 years)	-
	Community Service Orders	120 hours	160 hours	160 hours to 240 hours	160 hours	80 hours
Probation Order	-	-	-	-	12 months	
Aggressive commercial practices	Number of cases investigated	7	10	2	13	21
	Number of prosecution cases	1	3	2	0	26

Offence	Relevant information	2015	2016	2017	2018	2019
Aggressive commercial practices	Number of convictions (company/individual)	3	1	4	0	6
	Fine	-	-	-	-	-
	Imprisonment (without suspended sentence)	3 months	1 months	-	-	From 3 weeks to 15 months
	Imprisonment (with suspended sentence)	-	-	-	-	9 months (suspended for 2 years)
	Community Service Orders	200 hours	-	From 120 hours to 200 hours	-	From 90 hours to 120 hours
	Probation Order	-	-	-	-	-
Bait advertising	Number of cases investigated	0	1	1	0	2
	Number of prosecution cases	0	1	2	0	2
	Number of convictions (company/individual)	0	0	1	2	3
	Fine	-	-	\$10,000	\$10,000	\$8,000 to \$40,000
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
Bait and switch	Community Service Orders	-	-	-	180 hours	-
	Probation Order	-	-	-	-	-
	Number of cases investigated	0	0	0	2	1
	Number of prosecution cases	0	0	0	3	0
	Number of convictions (company/individual)	0	0	0	2	2
	Fine	-	-	-	\$5,000	\$10,000
Bait and switch	Imprisonment (without suspended sentence)	-	-	-	-	-

Offence	Relevant information	2015	2016	2017	2018	2019
Bait and switch	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community Service Orders	-	-	-	120 hours	80 hours
	Probation Order	-	-	-	-	-
Wrongly accepting payment	Number of cases investigated	3	10	9	16	4
	Number of prosecution cases	1	1	2	5	2
	Number of convictions (company/individual)	0	0	3	4	2
	Fine	-	-	\$48,000	\$24,000 to \$40,000	\$30,000
	Imprisonment (without suspended sentence)	-	-	6 months	-	-
	Imprisonment (with suspended sentence)	-	-	-	14 days (suspended for 1 year)	-
	Community Service Orders	-	-	100 hours	-	80 hours
	Probation Order	-	-	-	-	-
Other offences under TDO ^	Number of cases investigated	33	19	8	17	8
	Number of prosecution cases	39	24	14	14	8
	Number of convictions (company/individual)	46	22	16	15	8
	Fine	\$1,000 to \$30,000	\$1,000 to \$16,800	\$1,000 to \$16,500	\$1,000 to \$10,500	\$1,000 to \$5,000
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community Service Orders	-	-	-	-	-
	Probation Order	-	-	-	-	-

^ Such as sections 4 and 12 of TDO.

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

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

On compliance promotion, C&ED has so far held more than 270 seminars for various industries to help enhance practitioners' understanding of the TDO, remind them of the importance of complying with the TDO, and urge the management to take appropriate measures to avoid unscrupulous trade practices.

On public education, C&ED launched three promotional videos in July 2019 related to common unfair trade practices in the beauty, fitness and renovation industries. A promotional poster was also produced to spread the message. C&ED has also displayed promotional banners on the streets of various districts to caution members of the public to be aware of unfair trade practices, and that they may report suspected unfair trade practices employed by unscrupulous traders to C&ED.

C&ED will continue the collaboration with the Consumer Council (the Council) to promote the message of "smart consumption" to the general public through various media.

In 2020-21, C&ED will strengthen the above work, including producing short promotional videos related to sales of services and goods involving unfair trade practices, and proactively convening meetings with the management and representatives from different industries with a view to reminding them of the importance to comply with the fair trading provisions and supervisory responsibilities. Furthermore, C&ED will upload to its website the common modus operandi employed by unscrupulous traders, and publish the results and details of compliance or enforcement cases. To serve as a deterrent, C&ED will publicise through the media details and sentences of cases involving unfair trade practices so as to remind unscrupulous traders of the serious consequences for violation of the TDO.

The expenditures involved in compliance promotion and public education have been subsumed within the Department's provisions. It is difficult to quantify them separately.

On the other hand, the Council conducts a wide range of publicity and education through various channels to promote "smart consumption". The "CHOICE" Magazine published by the Council often includes TDO-related articles covering different topics, giving alerts and suggestions to consumers. The Council also responds to questions related to the TDO at its monthly press conference of the "CHOICE" Magazine" and provides analysis of the complaint cases on the TDO at its year ender to serve as a reminder to consumers. In response to the needs of the under-privileged groups, the Council organises community talks introducing the TDO in collaboration with social and community services organisations from time to time to help participants understand consumption issues related to them using case sharing, to provide them with relevant alerts and suggestions, and to remind the under-privileged groups and their families ways to safeguard their rights and to

seek help from law enforcement agencies when necessary. In 2020-21, the Council will continue to strengthen the above work.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)037

(Question Serial No. 6625)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government stated that it would continue to take forward the expansion projects of the Hong Kong Disneyland (HKDL) Resort. In this connection, this Committee would like to raise the following questions:

1. What is the area of the site involved in the HKDL Resort expansion projects? What are the years of commencement and completion of reclamation, as well as the amount of provision for the reclamation works?
2. What are the specific details of the HKDL Resort expansion projects to be taken forward by the Government?
3. Some people suggested that the HKDL Resort expansion projects should be replaced by public rental housing, so as to provide Hong Kong residents with more public rental housing units and safeguard the housing rights of the wider public. Will the Government consider such proposal? If yes, what are the details? If no, what are the reasons?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 117)

Reply:

Regarding the expansion and development plan currently under implementation by Hong Kong Disneyland Resort (HKDL), its financial arrangements were approved by the Legislative Council Finance Committee (FC) in 2017, and it only covers Phase 1 site of HKDL. Reclamation works for the Phase 1 site of HKDL were implemented with funding approved by FC in November 1999 and completed in 2002. The costs of such reclamation works amounted to around \$4 billion at then price level. The Phase 1 site of HKDL, with an area of about 126 hectares, was granted by private treaty to Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney

Company as shareholders) in 1999 for the development of theme park, hotels and related facilities, and it cannot be used for public housing.

Various new attractions under the expansion and development plan are being rolled out progressively between 2018 and the coming few years. Two new attractions of the expansion and development plan, the “Moana: A Homecoming Celebration” stage show and “Ant-Man and The Wasp: Nano Battle!” attraction were launched in May 2018 and March 2019 respectively. Other new items include the “Castle of Magical dreams” planned for opening in the second half of 2020 with entirely new daytime and night time shows, as well as the themed areas based on “Frozen” and “Marvel” superheroes to be rolled out in future.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)038

(Question Serial No. 6626)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will continue to support the Travel Industry Council to take forward different initiatives to enhance the competitiveness and service quality of the travel trade, including implementing the Pilot Information Technology Development Matching Fund Scheme of Travel Agents, enhancing and promoting the web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, organising trade visits to the Greater Bay Area to deepen co-operation with the Mainland travel trade, strengthening training for the trade such as development of e-learning, etc. In this connection, this Committee would like to raise the following questions:

1. What are the details (such as the beneficiaries, the associated amount, the contents, as well as the implementation period) of the Pilot Information Technology Development Matching Fund Scheme of Travel Agents?
2. What were the provisions and details of the Government's work on enhancing and promoting the web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities in each of the past 3 years?
3. Regarding the trade visits organised by the Government to the Greater Bay Area to deepen co-operation with the Mainland travel trade, what were the lists of participating trade members, the numbers of participants, as well as the dates and numbers of visits in each of the past 3 years?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 118)

Reply:

The Government allocated \$40 million in total in the 2016-17 and 2018-19 Budgets to implement the Pilot Information Technology Development Matching Fund Scheme for

Travel Agents, through the Travel Industry Council of Hong Kong (TIC), to subsidise small and medium-sized travel agents, on a matching basis, to make use of information technology so as to enhance the competitiveness of the industry. The scheme was enhanced in July 2018 with the maximum number of projects to be funded for each travel agent increased from 1 project to 2 projects, one of which must be about adoption of the e-levy system and/or enhancement of the security of the IT system, so as to encourage more small and medium-sized travel agents to make use of information technology.

The Government allocated \$3 million in the 2018-19 Budget to support the TIC in developing a web-based tourism resource platform about Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities. The TIC launched the platform in the fourth quarter of 2019, providing tourism information, travel products, details about travel service providers, etc. of the places concerned. In order to encourage the travel trade to develop more thematic tourism products and enhance the competitiveness of the travel industry, the Government has earmarked additional funding of \$20 million in total in the 2019-20 and 2020-21 Budgets to support the TIC in enhancing and promoting the platform. The Government and the TIC will formulate details of the initiative, including how to enrich the platform's content and enhance its functions, as well as promotion plan.

The Government has supported the TIC to arrange visits for Hong Kong travel trade to different cities of the Greater Bay Area to strengthen co-operation with the Mainland trade and explore related business opportunities. The TIC organised 3 visits covering all Greater Bay Area cities other than Hong Kong from mid-2018 to early 2019, as well as 1 visit to Hengqin, Zhuhai in early 2020. The number of tour participants of the 4 visits was about 380 in total.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)039

(Question Serial No. 6705)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will provide funding to subsidise the production of anti-epidemic supplies. Regarding the amount and approval of the subsidy, please provide information on the following:

- (1) the approval procedures and criteria, the application eligibility, the total subsidy amount, the types of anti-epidemic supplies to be subsidised and whether a subsidy ceiling will be set for each type of supplies, the subsidy ceiling for each project, the estimated time required for project approval, the expected number of approved projects and the subsidy amount involved;
- (2) whether the subsidy for the production of anti-epidemic supplies will cover cloth masks, and what requirements have to be met by applicants?
- (3) the total number of applications received so far, the details of the applications, the approval situation and the subsidy amount involved;
- (4) the pricing criteria and requirements for subsidised projects, and whether the relevant accounts will be released for public monitoring?
- (5) how the public can monitor whether the allocation of the subsidy is fair and impartial?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 6028)

Reply:

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

The Scheme aims to facilitate the establishment of local mask production facilities in order to address the acute shortage of masks locally and to build up stock, and is administered by the Hong Kong Productivity Council (HKPC).

An applicant must be a company holding a valid Business Registration Certificate and a valid Certificate of Incorporation in Hong Kong and meets all the conditions below at the time of submitting its application:

- possesses the relevant production equipment in Hong Kong;
- possesses the raw materials in Hong Kong;
- possesses or has rented a production venue in Hong Kong;
- possesses, has rented or has hired a contractor to set up clean room facilities in Hong Kong; and
- each production line must be able to produce at least 500 000 masks per month.

In addition, the applicant must submit the following information and proof thereof

- its capability to comply with the Level 1 standard of the latest version of American Society for Testing Materials (ASTM) F2100, ISO 13485:2016 quality management system standard, and to achieve ISO Class 8 under ISO 14644-1 for the clean room after it begins production;
- its committed production output and its ability to achieve it; and
- its target commencement date for mass production supported by a detailed timetable.

The Scheme will provide subsidies to a maximum of 20 local production lines. An applicant may be granted a subsidy of up to HK\$3 million for its first mask production line approved under the Scheme, while an additional subsidy of up to HK\$2 million may be given for a second approved production line. The subsidy covers the capital costs for production equipment, venue setup, clean room setup, and the costs of testing and standard compliance. The Government will also procure up to two million masks from each subsidised production line each month for one year. The price of the masks is set with reference to major production costs and will be reviewed regularly.

As of 26 March 2020, HKPC has received a total of 103 applications. Among them, 7 applications (involving 8 production lines) have been approved, with each production line expected to produce 800 000 to 2.25 million masks each month. 4 applications (involving 5 production lines), after verification, have been confirmed to have met all eligibility criteria of the Scheme; the eligibility of 23 applications (involving 33 production lines) is being verified by HKPC through document check and on-site inspection; and the remaining 69 applications have yet to meet all eligibility criteria. Having reviewed the information provided in the applications received, the Government estimated that the number of potentially eligible production lines would very likely have exceeded the remaining quota. Therefore, HKPC has stopped receiving applications from 27 March 2020.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0081)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) continued to oversee the implementation of various measures to promote Hong Kong as a premier intellectual property (IP) trading hub in the Asia-Pacific region. Please advise this Committee of the progress and achievements of the work on promoting IP trading in the past year. What was the expenditure involved? What is the amount of resources earmarked for promoting the development of IP trading in 2020-21 and what are the work plan and timetable for the promotion efforts?

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

Reply:

The Government has been actively working in collaboration with stakeholders on the implementation of various measures to promote IP commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the Asia-Pacific region. Latest progress of the measures is as follows:

- the Government has been co-organising the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre every year since 2013. The 2019 Forum attracted over 2 200 participants. The 2020 Forum will be held on 3-4 December 2020;
- the Intellectual Property Department (IPD) has launched the IP Manager Scheme for small and medium enterprises (SMEs) since May 2015 with a view to increasing their knowledge on IP and its commercialisation. IPD has, up to February 2020, organised ten training programmes attended by more than 1 900 participants from over 1 400 enterprises. IPD also launched in April 2016 the "IP Manager Practical Workshop" for those who have taken part in these training programmes. IPD has, up

to February 2020, run thirteen workshops attended by over 490 participants. IPD will continue to run the Scheme;

- IPD has launched the free IP Consultation Services Scheme for SMEs since September 2016. IPD has completed over 300 consultation sessions up to February 2020. IPD will continue to promote the relevant service;
- IPD will continue to assist the Department of Justice to promote the use of arbitration and mediation to resolve IP disputes; and
- in December 2019, IPD and the Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) co-released a video featuring success stories on trade marks commercialisation by Hong Kong enterprises in the Greater Bay Area, with a view to promoting IP trading and awareness of the IP business opportunities in the area.

Among the above measures, part of them are IPD's regular work and will continue to be carried out with existing resources. As regards individual new measures launched in recent years (such as the provision of support services to SMEs, manpower capacity training, and publicity work), IPD's recurrent provision has been increased by \$5.4 million as from 2018-19, so that the Department may plan for the relevant work and take forward promotion of IP trading in an on-going manner.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)041

(Question Serial No. 0082)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention in 2020-21 under this Programme of the Commerce, Industry and Tourism Branch include strengthening efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and overseas, including Belt and Road related countries and regions, as well as to attract more multinational companies to set up regional or global operations in Hong Kong to capitalise on new opportunities arising from the Greater Bay Area Development. Please advise this Committee of the effectiveness of the relevant work in 2019-20 and the expenditure involved. What are the new plans or specific measures, work objectives or anticipated results and the expenditure to be involved for such work in 2020-2021?

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

Reply:

Invest Hong Kong (“InvestHK”) under the Commerce, Industry and Tourism Branch completed a total of 487 investment projects in 2019. In 2020-21, InvestHK will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and emerging markets including those along the Belt and Road, to set up or expand their business operations in Hong Kong, so as to tap on the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) development.

For the Mainland market, InvestHK will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global. In 2020-21, InvestHK plans to organise investment promotion activities in various major Mainland cities.

InvestHK also plans to conduct major investment promotion activities in Australia to underline Hong Kong's business advantages and encourage businesses to make use of Hong Kong as a platform to capture the opportunities in the Greater Bay Area.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will maintain its close partnership with the Taiwan business community and conduct investment promotion visits to various Taiwan cities.

InvestHK also plans to conduct a series of investment promotion visits and events in target overseas markets, including Canada, Europe, India, the Middle East, Southeast Asia and the United States, to underline Hong Kong's business advantages and to attract more companies to set up businesses in Hong Kong. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion.

InvestHK's estimated actual expenditure incurred in 2019-20 and the estimated expenditure in 2020-21 for organising the abovementioned investment promotion activities are \$47 million and \$52 million respectively. These figures do not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)042

(Question Serial No. 0083)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention under Programme (2) of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau include continuing to closely monitor the trade protection measures adopted by the US since early 2018 and the developments of the trade conflict between the US and the Mainland and their impact on Hong Kong's economy, maintaining close communication with the trade, and considering introducing further measures to provide timely support to the trade as necessary. Please advise what has been done in this respect during the past year and its effectiveness? What are the specific work plans for 2020-21? The Government said that it would consider introducing further measures to support the trade. What are the details and the expenditure involved?

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

Reply:

The Government has been maintaining close communication with the trade on the developments of the United States (US) - China trade conflict and their impact on Hong Kong economy, exchanging information with the trade and discussing with them on how to respond. Since June 2018, the Government has implemented a number of targeted measures in financing, export credit insurance, market promotion, development of markets and production bases, etc. to assist the trade in coping with the impact of the US - China trade conflict.

2019-20

The measures launched by the Commerce, Industry and Tourism Branch to support small and medium enterprises (SMEs) and their relevant expenditure are as follows -

- The HKMC Insurance Limited (HKMCI) provides loan guarantee at a preferential guarantee fee to help relieve the liquidity problem facing SMEs through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019. The Government has made three enhancement measures to the SFGS 80% Guarantee Product in November 2018, including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years. Moreover, the Trade and Industry Department (TID) provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

In view of the impact brought by the US-China trade conflict and economic downturn, the HKMCI and TID in September 2019 introduced a relief measure of principal moratorium for maximum 12 months under the SFGS and the SGS. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

- At the same time, the Government assists enterprises in exploring markets and enhancing their overall competitiveness through various funding schemes, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

In 2019-20, the Government injected \$1 billion into the SME Export Marketing Fund (EMF), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding; and expanding the scope of funding for business missions to further assist enterprises in exploring overseas markets.

The Government also injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million (including \$2 million under the Mainland Programme and \$2 million under the Free Trade Agreement (FTA) Programme); extending the geographical coverage of the BUD Fund from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed FTAs with Hong Kong; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding to provide more funding to enterprises directly for market exploration.

Moreover, TID administers the Trade and Industrial Organisation Support Fund (TSF) which provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

- The Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council (HKPC) and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau (CEDB) allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

Effectiveness

The SME support measures launched by the Government in 2019-20 were well received. Amongst others, there was a significant increase in the number of applications for the 80% Guarantee Product under the SFGS since the launch of enhancement measures in November 2018. In 2019, a total of 2 734 cases were approved, increased by 60% as compared with 2018, involving \$13.772 billion, increased by 89% as compared with 2018. The number of applications received under the SGS each year also remains stable. As for the EMF, the number of applications approved (11 919) and the total amount of grants approved (\$299 million) in 2019 increased by 32% and 79% respectively over 2018. As for the BUD Fund, the number of applications approved (736) and the total amount of grants approved (\$429 million) in 2019 increased by 53% and 97% respectively over 2018.

Plans for 2020-21

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SFGS, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

In addition, the Government will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion.

Summary

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

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

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0084)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention of this Programme that the Commerce, Industry and Tourism Branch will continue to oversee efforts for seeking better market access and facilitation of trade and investment in the Mainland through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), and for ensuring effective implementation of the measures announced. What were the results achieved and details of the work in this respect in the past financial year? What was the actual expenditure incurred? What are the new work plans for the new financial year of 2020-21? What is the estimated expenditure? Will a new work plan be formulated in response to the recent novel coronavirus infection and will there be an increase in expenditure to strengthen the work? If yes, what are the details? If no, what are the reasons?

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

Reply:

The Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) by seeking various preferential and facilitation measures for the trade. CEPA has now become a comprehensive and modern free trade agreement underpinned by four agreements, namely the Agreement on Trade in Services, the Agreement on Trade in Goods, the Investment Agreement, and the Agreement on Economic and Technical Cooperation, which covers all facets of Hong Kong's economic and trade relationship with the Mainland, and promotes further liberalisation and facilitation of trade and investment between the two places. We have been working closely with the Mainland authorities at central, provincial and municipal levels, and have made use of the established mechanisms with the Ministry of Commerce to address and follow up on problems encountered by Hong Kong enterprises in using CEPA liberalisation measures on the Mainland.

In November 2019, Hong Kong and the Mainland signed an agreement (the Amendment Agreement) to amend the CEPA Agreement on Trade in Services which has been implemented since June 2016. The Amendment Agreement introduces new liberalisation measures in a number of important services sectors such as financial services, legal services, construction and related engineering services, testing and certification, television, motion pictures, tourism services, etc., making it easier for Hong Kong service suppliers and professionals to set up enterprises and develop business on the Mainland. The liberalisation measures include removing or relaxing restrictions on equity shareholding, capital requirement and business scope in the establishment of enterprises; relaxing qualification requirements for provision of services by Hong Kong professionals; and relaxing the quantitative and other restrictions on Hong Kong's exports of services to the Mainland market. The Amendment Agreement will be implemented from 1 June 2020. We plan to organise a CEPA Forum later this year on the Amendment Agreement, with a view to strengthening the trade's understanding of the new liberalisation measures and related implementation arrangements.

The Trade and Industry Department (TID) provides business information and consultation services free of charge. It has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation and updates of relevant regulations and implementation of liberalisation measures on its website for the trade's reference in a timely manner. In 2019-20, TID issued in total about 700 circulars relating to the Mainland's latest trade policies, including measures by the Mainland authorities in supporting enterprises in light of the COVID-19 outbreak, covering expediting the registration and approval of production of medical protective clothing, measures relating to the tax policies, aspects of labour and social welfare, etc. We will continue to work closely with the Mainland to assist the trade in making better use of CEPA liberalisation measures and gaining greater access to the Mainland market.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)044

(Question Serial No. 0085)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Attention in 2019-20, the Commerce, Industry and Tourism Branch will continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation. What work has been done in this area in 2019-20? What opportunities did the Government identify for Hong Kong? What was the expenditure involved? How much public funds will be spent on work in this area in 2020-21? What are the specific work plans and anticipated results? Will new directions be set in view of the US-China trade conflict, external factors and the recent outbreak of the novel coronavirus disease?

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

Reply:

In 2019-20, the Government continued to actively pursue regional economic cooperation to strengthen trade and economic relations with our major trading partners in the region. Two main areas of work were: (1) participation in the Asia-Pacific Economic Cooperation ("APEC") activities; and (2) forging free trade agreements ("FTAs").

APEC

APEC's primary goal is to achieve trade and investment liberalisation and facilitation for economic cooperation and growth. Trade between Hong Kong and other APEC member economies accounts for some 80% of Hong Kong's external trade value. Participating in APEC is an ideal avenue for Hong Kong to promote collaboration with other member economies on various trade and economic issues in the region.

The trade facilitation initiatives under APEC, such as simplifying customs procedures, enhancing business mobility through the APEC Business Travel Card, promoting electronic

commerce etc., can help improve the region's business environment by saving business costs and time.

In this regard, Hong Kong actively promotes the development of a collaborative framework for online dispute resolution in APEC, which seeks to assist micro, small and medium-sized enterprises ("MSMEs") in resolving cross-border trade disputes through digital technology in order to reduce the legal cost burden on their operations, thereby encouraging more MSMEs to conduct cross-border trade.

At the same time, to further deepen regional economic integration and enhance trade and investment liberalisation, APEC member economies have commenced work on the eventual realisation of the Free Trade Area of the Asia-Pacific ("FTAAP"), which includes the completion of a Collective Strategic Study. The Study has shown that the realisation of FTAAP will reduce regional trade barriers, bringing immense opportunities to economies in the region and facilitating Hong Kong businesses, including SMEs, to further expand their business and investment in the region. With a view to realising FTAAP, Hong Kong participates actively in the relevant discussions and work, including developing work programme on tariff issues and conducting study on the impact of tariff liberalisation.

APEC member economies are also committed to attaining the Bogor Goals of free and open trade and investment by the end of 2020. Hong Kong will continue to participate actively in the related work and assist APEC in formulating a Post-2020 Vision to guide its future work.

Hong Kong has also participated in the work of the Pacific Economic Cooperation Council, which helps promote cooperation and economic development in the Asia-Pacific region through research and policy discussions.

In 2020-21, we will continue to participate actively in the work of regional cooperation organisations.

FTAs

Forging FTAs with trading partners will not only enable Hong Kong's goods, services and investments to access these markets under more favourable conditions, but also help enterprises diversify markets and enhance Hong Kong's participation in regional economic integration.

So far, Hong Kong has signed eight FTAs with 20 economies, i.e. Mainland China, New Zealand, the four member states of the European Free Trade Association¹, Chile, Macao, the ten member states of the Association of Southeast Asian Nations ("ASEAN")², Georgia and Australia.

Hong Kong is now exploring having FTAs with Thailand and the Pacific Alliance³ respectively and plans to seek accession to the Regional Comprehensive Economic Partnership ("RCEP")⁴ after it is signed. In addition, Hong Kong is exploring with the United Kingdom options for furthering economic ties, including the possibility of forging an FTA. We will continue to explore possibilities of forging FTAs with other economies.

We will continue to closely monitor domestic and external development, and review the above directions in a timely manner. The expenditure of the work above has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department, and cannot be quantified separately.

¹ The member states of the European Free Trade Association are Iceland, Liechtenstein, Norway and Switzerland.

² The member states of ASEAN are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

³ The member states of Pacific Alliance are Chile, Colombia, Mexico and Peru.

⁴ The participating economies of RCEP are ten member states of ASEAN and its six FTA partners, i.e. Australia, Mainland China, India, Japan, Korea and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)045

(Question Serial No. 0086)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2020-21 that the Commerce, Industry and Tourism Branch will “continue to maintain close communication with the Mainland authorities and assist the trade in adjusting to the changes in the Mainland’s trade and investment policies, and in promoting Hong Kong products and services to Mainland market”. What work has the Government done in this area in the past year? How effective was the work? How much public funds were spent? In 2020-21, what new work plans does the Government have to promote Hong Kong products and services to Mainland market, Moreover, in view of the changes in the Mainland’s policies on processing trade in recent years, has the Hong Kong Government assessed the impact of such changes on Hong Kong enterprises? What specific measures will the Government introduce in the coming year to help Hong Kong enterprises adjust to changes in the Mainland’s policies on processing trade? What are the expenditure and manpower involved?

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

Reply:

In 2019-20, the Commerce, Industry and Tourism Branch assisted the trade in adjusting to the changes in the Mainland’s policy on trade and investment through the following work:

- maintaining close dialogue with the trade through various channels to understand the trade’s concerns and views; and maintaining close liaison with the Mainland authorities at various levels, including through the Mainland and Hong Kong Economic and Trade Co-operation Committee, to relay the trade’s views and to discuss with them support measures for the trade;

- disseminating information to the trade by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and HKSAR Government's Offices in the Mainland to enhance the trade's understanding of the Mainland's latest trade policies, legislation and business environment. TID's website also includes a dedicated page on economic and trade information of the Mainland, with about 200 hyperlinks to the economic and trade websites of Mainland authorities, so as to facilitate Hong Kong enterprises to get access to economic and trade information of the Mainland on a single platform;
- organising and participating in promotional activities and trade events on the Mainland, providing information on the Mainland market and organising business delegations to visit the Mainland through Hong Kong Trade Development Council (HKTDC), with a view to enhancing the trade's understanding of Mainland's policies and market development;
- with regard to financial support, assisting small and medium enterprises (SMEs) through enhancement of TID's on-going funding schemes in areas such as export market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring, etc., to further strengthen the competitiveness of the enterprises and facilitate their business development on the Mainland. Among others, the Government injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and has implemented enhancement measures under the BUD Fund, including doubling the cumulative funding ceiling from \$1 million to \$2 million per enterprise under the Mainland Programme and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding;
- providing loan guarantee to enterprises to help them secure loans for acquiring equipment and as general working capital, etc.;
- arranging HKSAR Government's Offices in the Mainland to collaborate with trade associations and other organisations to organise promotional events on the Mainland to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the Mainland domestic market; and
- providing platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater brand awareness through the network of HKTDC Design Gallery shops on the Mainland (including a flagship store, consignment partners and online shops).

From time to time, the Government submits comments to relevant authorities on Mainland's policies on trade and investment. In early 2019, the Government submitted the views of local chambers of commerce and Hong Kong businessmen operating on the Mainland on the "Foreign Investment Law of the People's Republic of China (Draft)" to the Hong Kong and Macao Affairs Office of the State Council. The Mainland authorities have responded positively to many proposals of the Government and the trade. Policies and measures on enhancing and facilitating investment and business operations have been announced, including the "Implementation Regulations for the Foreign Investment Law of the People's Republic of China" promulgated by the State Council on 31 December 2019 and the

“Implementation Plan on Strengthening the Development of Hong Kong and Macao Youth Innovation and Entrepreneurship Bases” promulgated by the Government of Guangdong Province on 8 May 2019, etc.

We will continue with the above-mentioned work in 2020-21. The manpower and expenditure of the above work have been subsumed within the establishment and provision for this Bureau and the relevant departments and organisations, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)046

(Question Serial No. 0087)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention in 2020-21 under this Programme of the Commerce, Industry and Tourism Branch include continuing to oversee efforts to promote awareness of and respect for intellectual property (IP) rights in the community and the business sector. Please inform this Committee of the effectiveness and expenditure on the work in this regard in 2019-20. In the coming year, how much resources will the Government allocate to the promotion of IP rights, particularly among small and medium enterprises? What are the specific work plans and the estimated expenditure?

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

Reply:

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

IPD attaches great importance to the promotion and education work on enhancing the awareness of and respect for IPR. IPD has been taking forward the "No Fakes Pledge" Scheme (which encourages retail merchants to pledge not to sell counterfeit and pirated products) and the "I Pledge" Campaign (which encourages consumers not to buy or use pirated and counterfeit goods). IPD collaborates with various organisations in conducting talks, competitions and large-scale promotional events, and supports a diversified range of publicity and education activities. IPD also produces Announcements of Public Interest (APIs) from time to time, and launches activities targeting at schools such as interactive drama programmes, visits to primary and secondary schools as well as seminars in tertiary institutions, etc. to put across the messages of respecting creativity, protecting IPR and stopping online infringement. In 2020-21, IPD will continue to implement the above measures which include:

- producing and broadcasting APIs on television;
- producing leaflets for distribution at seminars, exhibitions and schools and for uploading onto IPD's website;
- producing and placing supplements in local newspapers targeted at students;
- organising promotional activities for members of the "I Pledge" Campaign; and
- organising online inter-school quiz.

Apart from the general public, the business sector (including SMEs, business associations, IP intermediaries, etc.) has always been a main target of IPD's promotion and education efforts. In 2020-21, IPD will continue to implement a series of initiatives, and key items include:

- promoting the new patent system (of which an integral part involves the "Original Grant" patent system) which was launched in December 2019, as well as IP trading and support services, through different channels including websites, exhibitions, seminars, trade magazines and business associations;
- collaborating with IP authorities on the Mainland to promote IP protection, management and trading to the business sector regarding their businesses on the Mainland (e.g. co-organising activities with the IP authorities of the Guangdong Province such as seminars for SMEs and exchange activities, and disseminating latest information on the IP regimes of Guangdong, Hong Kong and Macao.);
- implementing the "IP Manager Scheme" and the free "IP Consultation Service Scheme", and sponsoring and promoting training courses on IP-related subjects organised by professional bodies and business organisations;
- co-organising the "Business of IP Asia Forum" with the Hong Kong Trade Development Council and the Hong Kong Design Centre; and
- promoting through videos on how Hong Kong enterprises may leverage on the unique competitive advantages of different cities in the Greater Bay Area to commercialise their IP and enter into the global market successfully.

IPD has all along been keeping in touch with the industry and stakeholders, conducting regular surveys on public awareness on IP protection, and collecting feedback from participants of the relevant promotion and education activities, in assessing the effectiveness of the activities and drawing up appropriate promotion strategies and programme plans. The feedback from the industry and stakeholders is positive in overall terms.

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

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)047

(Question Serial No. 0274)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Government has extended the application period of the special concessionary measures (i.e. 80 per cent of guarantee product) under the SME Financing Guarantee Scheme (SFGS), as well as the validity period of the enhancement measures introduced in November 2018 to 30 June 2022, and introduced a new relief measure under SFGS and SME Loan Guarantee Scheme where enterprises may apply for principal moratorium of a maximum of 12 months. Please advise this Committee of the number of applications under the scheme in the previous year (i.e. 2019-20) and the amounts involved. Which sectors were the main beneficiaries? Has the number of applications been on the rise or decreasing? What is the expected situation in 2020-21? Will the Government review and enhance the mitigation measures taking into account the global economic trend, the trade conflict between China and the United States as well as the latest development of the novel coronavirus epidemic situation?

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

Reply:

In order to relieve the liquidity problem facing small and medium enterprises (SMEs), the HKMC Insurance Limited (HKMCI) provides loans at a substantially reduced guarantee fee to enterprises through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019. Moreover, the Trade and Industry Department provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

Since November 2018, three enhancement measures have been made to the SFGS 80% Guarantee Product (including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum

loan guarantee period from five years to seven years); and in September 2019, the Government introduced the arrangement for principal moratorium for maximum 12 months under the SFGS and the SGS. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

From 2019 to end February 2020, the details of applications received under the SFGS are set out in the table below :

80% Guarantee Product

	2019	2020 (up to end February)
Number of Applications Received	2 965	338
Number of Applications Approved	2 734	295
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	1 469	153
• Manufacturing	287	20
• Engineering and Construction	286	42
• Others	692	80
Total Loan Amount Involved in the Applications Approved (\$)	13.772 billion	1.409 billion
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	7.766 billion	0.767 billion
• Manufacturing	1.842 billion	0.119 billion
• Engineering and Construction	1.409 billion	0.150 billion
• Others	2.755 billion	0.373 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	11.017 billion	1.127 billion
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	6.213 billion	0.613 billion
• Manufacturing	1.473 billion	0.095 billion
• Engineering and Construction	1.127 billion	0.120 billion
• Others	2.204 billion	0.299 billion

90% Guarantee Product

	16 December 2019 to end February 2020
Number of Applications Received	390
Number of Applications Approved	319
<u>The major beneficiary sectors</u> <ul style="list-style-type: none"> • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others 	137 25 22 135
Total Loan Amount Involved in the Applications Approved (\$)	0.528 billion
<u>The major beneficiary sectors</u> <ul style="list-style-type: none"> • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others 	0.221 billion 0.045 billion 0.032 billion 0.230 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.475 billion
<u>The major beneficiary sectors</u> <ul style="list-style-type: none"> • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others 	0.199 billion 0.039 billion 0.029 billion 0.208 billion

From 2019 to end February 2020, the details of applications received under the SGS are set out in the table below :

	2019	2020 (up to end February)
Number of Applications Received	702	33
Number of Applications Approved	656	23
<u>The major beneficiary sectors</u>		
• Import and Export Trade	278	10
• Wholesale and Retail	107	3
• Others	271	10
Total Loan Amount Involved in the Applications Approved (\$)	1.643 billion	0.07 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.688 billion	0.042 billion
• Wholesale and Retail	0.219 billion	0.009 billion
• Others	0.736 billion	0.019 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.818 billion	0.035 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.342 billion	0.021 billion
• Wholesale and Retail	0.110 billion	0.004 billion
• Others	0.366 billion	0.010 billion

The number of applications received for the 80% Guarantee Product under the SFGS has been increasing significantly in recent years. In 2019, the number of applications approved is 2 734 cases, increased by 60% as compared with 2018; and the amount approved is \$13.772 billion, increased by 89% as compared with 2018. The 90% Guarantee Product was launched at the end of 2019. Response from the trade is positive. The number of applications received under the SGS each year also remains stable.

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS), for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March

2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)048

(Question Serial No. 0275)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2010-21 under this Programme that the Commerce, Industry and Tourism Branch will continue its efforts in fostering co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. Please advise this Committee of the effectiveness of these efforts over the past year and the expenditure involved. What specific measures will be adopted in the new financial year, and what are the estimated expenditure and expected effectiveness?

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

Reply:

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

- On trade promotion, Hong Kong Trade Development Council (HKTDC) has been actively promoting commerce and trade co-operation and exchanges between Hong Kong and Taiwan, and encouraging Taiwan enterprises to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to tap overseas and Mainland markets. The Taipei Office of HKTDC frequently organises various promotional activities to provide networking and exchange platform for enterprises of the two economies, thereby creating opportunities for business co-operation. In 2019-20, HKTDC organised about 60 activities in Hong Kong and Taiwan to promote the economic and trade relations between the two economies, including coordinating Taiwan enterprises to participate in various exhibitions and forums held in Hong Kong. HKTDC's relevant expenditure in 2019-20 is around \$5.87 million.

In 2020-21, HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions,

seminars, roadshows and business matching activities, etc. HKTDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as logistics, e-commerce and creative industries, etc. The estimated budget of the above work is around \$5.8 million.

- On investment promotion, Invest Hong Kong (InvestHK) has been promoting Hong Kong's business advantages in Taiwan. Through the investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan, InvestHK has been reaching out to a wide spectrum of Taiwan companies so as to encourage them to leverage on the business advantages of Hong Kong to expand their regional operations. In 2019-20, InvestHK's expenditure on investment promotion work in Taiwan is around \$0.47 million (not including staff costs or other general expenses funded under Head 144).

In 2020-21, InvestHK will continue to promote the above-mentioned work so as to attract more Taiwan companies to set up or expand their business in Hong Kong. The estimated budget of InvestHK for investment promotion work in the Taiwan market in 2020-21 is around \$0.5 million (not including staff costs or other general expenses funded under Head 144).

- On tourism, Taiwan continues to be Hong Kong's second largest source market. Visitor arrivals from Taiwan were 1.539 million in 2019. The revised estimate of the Hong Kong Tourism Board (HKTB) for the promotional programmes in the Taiwan market in 2019-20 is around \$7 million.

In 2020-21, when the COVID-19 outbreak subsides, HKTB will continue its marketing efforts targeted at the young segment in Taiwan and focus on attracting repeat visitors. HKTB will work with the travel trade and airlines to launch short-term tactical promotions in due course to drive consumers' desire to visit Hong Kong. To restore visitors' confidence in Hong Kong and rebuild Hong Kong's tourism image, HKTB will repackage the city's unique, diverse experiences and enhance promotion through channels including public relations, digital media, etc. HKTB will also work with trade partners to launch different themed tourism products alongside festivals, events and activities of Hong Kong to draw visitors to Hong Kong during their short breaks. In addition, HKTB will continue to participate in events organised by the travel trade in Taiwan to introduce Hong Kong to trade partners and visitors therein, as well as to promote Hong Kong's diverse tourism products. On cruise tourism, HKTB will take forward marketing efforts in the Taiwan market having regard to factors including ship calls to Hong Kong and the market situation after the epidemic in Hong Kong and major visitor source markets subsides.

The total estimated marketing budget of HKTB proposed in 2020-21 for the Taiwan market comprises HKTB's proposed basic budget of \$12 million and part of the additional funding from the Budget (amount to be confirmed).

Moreover, the Government will continue to, through the platforms of the "Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council" and the "Hong Kong-Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and the "Economic Co-operation

Committee” of Taiwan, foster economic and trade exchanges and co-operation between Hong Kong and Taiwan.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)049

(Question Serial No. 0277)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (TDC) has set up more than 50 offices worldwide, 13 of which are in the Mainland. Please advise whether TDC will set up new overseas offices in 2020-21, particularly in emerging markets to facilitate local small and medium enterprises to explore business opportunities and expand their operations. If yes, what is the number and what are the respective locations as well as the expenditure? Which sectors will be the focus of publicity efforts? Also, are there specific work plans or major promotion projects? Please list them out in detail.

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

Reply:

Currently, the Hong Kong Trade Development Council (TDC) has 50 offices worldwide, a number of which are located in new markets. Among them, the 3 consultant offices in Saudi Arabia, Kazakhstan and Kenya were set up in 2018-19. In 2020-21, TDC has no plan to set up new offices. TDC will continue to closely monitor market development and expand its global office network according to the expansion needs of Hong Kong companies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)050

(Question Serial No. 0278)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Previously as part of the "Matters Requiring Special Attention in 2019-20", it was stated that the Hong Kong Trade Development Council (HKTDC) would help Hong Kong companies capture opportunities amid uncertain export environment. Please inform this Committee of the plans and measures put forward by the HKTDC in the past year to help Hong Kong's small and medium enterprises to respond to the uncertain export environment. What was the expenditure incurred for the implementation? What was the outcome achieved? The same item of work is no longer listed in the 2020-21 estimates. What are the reasons? Facing US-China trade conflicts and the global economy beset with uncertainties, what initiatives will the Government introduce to assist the export industry of Hong Kong? What is the expenditure involved?

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

Reply:

In the past few years, the Hong Kong Trade Development Council (TDC) endeavoured to help Hong Kong enterprises explore opportunities arising from e-tailing and e-commerce, and seize opportunities arising from new retail and consumption modes. In 2019-20, through an array of measures, TDC endeavoured to help Hong Kong enterprises explore new export markets, sourcing markets, new industries with high growth potential and new modes of market exploration. Measures included strengthening exchanges with exhibitions worldwide to increase exposure of Hong Kong businesses in different markets and helping small and medium enterprises (SMEs) in Hong Kong seize business opportunities in the digital era.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize

opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for SMEs and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

Furthermore, TDC will continue to render full support for the development of start-ups in Hong Kong and help SMEs upgrade and transform. TDC will also strengthen the development of digital economy, provide digital marketing and e-commerce solutions for Hong Kong SMEs, as well as promote Hong Kong as the ideal venue for showcasing and testing new technology.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)051

(Question Serial No. 0279)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2020-21, the work of the Hong Kong Trade Development Council (HKTDC) will include promoting Hong Kong as a platform for doing business with the Mainland and worldwide, as a commercial hub for the Belt and Road Initiative, and as a two-way platform for the Greater Bay Area. Please advise this Committee of the specific plans. What are the details of the estimated expenditure, staff establishment and expected results? How effective was the work over the past year?

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

Reply:

In 2019-20, the Hong Kong Trade Development Council (TDC) achieved satisfactory results in the promotion of the Belt and Road Initiative. The fourth *Belt and Road Summit* co-organised with the Government attracted over 5 000 government officials and business leaders from about 70 countries and regions, introduced over 240 investment projects during the project pitching sessions and arranged more than 700 one-to-one business matching meetings.

In 2020-21, TDC will continue to cement Hong Kong's position as a global investment and business hub by seizing opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development. To this end, TDC plans to organise various events, including co-organising the fifth *Belt and Road Summit* with the Government, which will be a two-day event focusing on opportunities related to the Greater Bay Area and exploring new markets such as the Middle East and Africa; organising a dedicated session on the Greater Bay Area at the *Asian Financial Forum* and a mission to the Greater Bay Area; and organising sectoral promotion missions to relevant cities in the Greater Bay Area.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)052

(Question Serial No. 0418)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the work of the Hong Kong Trade Development Council (HKTDC) for 2020-21 includes organising workshops to assist Hong Kong companies to enhance their capabilities. Please advise this Committee of the details of work in this respect during the past year. What was the expenditure involved? What were the achievements? Please set out the details in table form. For the coming financial year, what are the specific plans of the HKTDC? What workshops will it organise? What capabilities of Hong Kong companies are expected to be enhanced? What is the expenditure involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 20)

Reply:

In 2019-20, the Hong Kong Trade Development Council (TDC) organised 41 workshops in its SME Centre with themes including setting up small and medium enterprises (SMEs), SME management, doing business in the Mainland, new marketing trends and the Belt and Road Initiative. The workshops covered brand protection, opportunities with new technology, digital and social media, strategies to cope with trade conflicts between the United States and the Mainland, etc. A total of about 4 600 SMEs participated in these workshops.

In 2020-21, TDC will continue to organise an array of events, including various workshops focusing on exploring new markets, manufacturing and relocation opportunities, e-commerce, as well as brand development and upgrading, in order to equip Hong Kong companies for business challenges and enhance their competitiveness. In light of the COVID-19 outbreak, TDC changed some seminars to live online broadcast which covered techniques on digital and social media marketing, content marketing and search engine

marketing to target business needs, in order to assist Hong Kong companies to diversify business and explore opportunities during the outbreak.

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

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)053****(Question Serial No. 0419)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Matters Requiring Special Attention under this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Hong Kong Export Credit Insurance Corporation (HKECIC) to assist Hong Kong exporters in 2020-21. Please inform this Committee of the number of applications approved by the HKECIC last year. What is the amount of insurance coverage involved? What types of enterprises have applied for insurance coverage? What is the number of claims cases and how many of them are approved? Please set out the specific details of the programme in tabular form. Providing small and medium enterprises with export credit insurance encourages and supports the export trade of Hong Kong. What is the estimated expenditure for such work in 2020-21? Will the HKECIC further strengthen its assistance to Hong Kong exporters in response to the global economic situation and the US-China trade conflict?

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

Reply:

In 2019-20, the number of new policy applications received by the Hong Kong Export Credit Insurance Corporation (ECIC), the number of new policies issued, the total maximum liability of new policies issued and the types of enterprises that applied for new policies are as follows:

2019-20 (As at 29 February 2020)	
Number of new policy applications received	701 applications
Number of new policies issued	375 policies

2019-20 (As at 29 February 2020)	
Total maximum liability of new policies issued ⁽¹⁾	\$2.533 billion
Types of enterprises that applied for new policies	Major industries included textiles & clothing, electronics, electrical appliances, toys and metallic products.

Note: (1)“Maximum liability” represents the maximum amount payable of the claims during a policy period.

In processing claims, ECIC will abide by its claims payment obligation in accordance with the terms and conditions of policies. Policyholders also have to abide by the insurance principles and the terms and conditions of policies, and to take all reasonable and practicable measures and all actions required by ECIC to prevent or minimise losses. On receipt of notification of payment difficulty cases from policyholders, ECIC will keep in contact with the policyholders and follow up on the cases, and will advise the policyholders to take appropriate loss minimisation actions. Among the payment difficulty cases received, some were eventually resolved with payment from the buyers and no claim payment from ECIC was required, and some were rejected because the policyholders had failed to comply with the terms and conditions of the policies concerned. Details on the claim cases handled by ECIC in 2019-20 are tabulated below:

2019-20 (As at 29 February 2020)	
Payment Difficulty cases	100
Claim Payment cases ^(*)	23
Cases Resolved	14
Cases Rejected	5
Cases still under Review	58

(*) Including cases involving reimbursement to policyholders for expenses incurred in payment recovery.

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

As at 31 March 2019, the capital and reserves of ECIC stood at \$2.382 billion. The cap on ECIC’s contingent liability under contracts of insurance was increased from \$40 billion to \$55 billion in June 2017. ECIC estimates that the existing cap on contingent liability would be sufficient to meet the forecast growth of its insured business over the next few years.

Amid the worsening business environment led by the volatile global economy, the continued US-Mainland China trade conflict, and weakening external demands in the past year, ECIC has introduced special enhanced measures, including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for

"Small Business Policy" (SBP) holders; increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures. In 2019, ECIC also extended twice the special enhanced measures to 30 June 2022, aiming to step up support to Hong Kong exporters especially for SMEs. ECIC will continue to monitor the global economy and adjust the enhanced measures as appropriate.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)054

(Question Serial No. 0423)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Special Attention in 2020-21 of this Programme, the Commerce, Industry and Tourism Branch (CITB) and the Hong Kong Tourism Board (HKTB) will drive Meetings, Incentive Travels, Conventions and Exhibitions (MICE) tourism and consolidate Hong Kong's image as the "World's meeting place". For efforts in this regard, please inform this Committee of the expenditure involved and the achievements made last year; and the specific plans, timetables and expenditure to be involved as well as the achievements to be made in the coming financial year.

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

Reply:

The revised estimates of the Hong Kong Tourism Board (HKTB) for promoting Meetings, Incentive Travels, Conventions and Exhibitions (MICE) tourism in 2019-20 is \$48.90 million.

In 2019, the Meetings and Exhibitions Hong Kong under HKTB provided support to over 1 100 MICE events. There were 1.69 million overnight MICE visitors in 2019 with a growth of 4% in the first half of the year as compared with the same period of 2018, while a year-on-year drop of 30% was recorded in the second half of the year due to social incidents, resulting in a full-year decrease of 14%.

In 2020-21, the HKTB will launch a new brand campaign to reinforce Hong Kong's image as "The World's Meeting Place" to attract more MICE events of different scales to Hong Kong. In addition, the HKTB will enhance support for the MICE trade and step up targeted promotions to encourage MICE events to return to Hong Kong as well as solicit more international conventions. The promotion work will be carried out on short as well as medium to long term basis:

Short-term:

Restoring confidence of MICE organisers and visitors in Hong Kong

- Working with well-known international commercial media to organise strategic conferences in Hong Kong and invite top speakers from around the globe to attend the events to draw media spotlight and uplift Hong Kong's international status and reputation.
- Attending international MICE trade fairs in key source markets with the local trade partners and actively bidding for important MICE events.
- Organising travel missions and familiarisation tours to update the trade in different markets on the latest developments of Hong Kong.

Closer cooperation and strengthening support to the trade to restore MICE business

- Actively bidding for medium-and large-scale or strategic international MICE events and bringing back those MICE events affected by social incidents and the COVID-19 outbreak.
- Rolling out new promotional programmes in collaboration with local hotels to offer attractive packages, for example, free meeting packages or dining packages for meetings and incentive travels (M&Is) in Hong Kong.
- Continuing to provide local travel agencies with subsidies to draw more small M&Is; planning to expand the coverage of the subsidy scheme and promoting Hong Kong with the trade partners.
- Intensively publicising the schedule of international conventions and exhibitions in Hong Kong to showcase that many MICE events are still being held in Hong Kong.

Medium to long-term:

Launching a new MICE brand campaign to rebuild tourism image

- Launching a new brand campaign to introduce new tourism products, venues and unique travel experiences in Hong Kong to corporate clients and travel trade of source markets; further consolidating Hong Kong's image as "The World's Meeting Place" and refreshing MICE visitors' perception of Hong Kong.

Fostering the long-term growth of MICE tourism

M&I

- Focusing resources on Southeast Asia (primarily Indonesia and Thailand), South Korea, India, the United States and the Mainland, and attracting large-scale M&Is from direct selling industry.

- Promoting themed M&I itineraries in key source markets by incorporating the cultural characteristics of Hong Kong into new travel experiences to attract M&Is.

Professional association conventions

- Maintaining the focus on the medical and innovation & technology industries and soliciting large-scale conventions from these sectors through strategic resources deployment.
- Fostering closer tie with professional associations in different places, especially medical related associations, and promoting exchanges between Hong Kong and these associations to explore the possibility of organising joint conventions.

Exhibitions

- Working closely with the local exhibition sector to promote the city's image as "Asia's Fair Capital" at international trade events and stepping up cooperation with exhibition centres to bid for more exhibitions.
- Offering support to exhibition organisers and attracting buyers and exhibitors from source markets to participate in exhibitions in Hong Kong.

In 2020-21, the HKTB plans to spend \$88.80 million on MICE promotion to help draw more high-spending visitors.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0424)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) under this Programme is to formulate policies to support small and medium enterprises (SMEs). Please advise this Committee of the policy measures introduced by the CITB to support SMEs in the past year, and set out separately the expenditure involved, the effectiveness, as well as the trades and the number of SMEs benefited. Please also set out the measures and new plans to be implemented by the CITB in 2020-21 to support SMEs, the respective expenditures involved, as well as the expected effectiveness. Will the Government regularly gauge the needs of SMEs in Hong Kong in light of the global economy, the US-China trade conflict and the latest situation of the novel coronavirus epidemic and respond by putting in place and renewing the policies or supporting measures?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 28)

Reply:

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

2019-20

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

- The HKMC Insurance Limited (HKMCI) provides loan guarantee at a preferential guarantee fee to help relieve the liquidity problem facing SMEs through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019. The Government has made three enhancement measures to the SFGS 80% Guarantee Product in November 2018, including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15

million; and lengthening the maximum loan guarantee period from five years to seven years. Moreover, the Trade and Industry Department (TID) provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

In view of the impact brought by the US-China trade conflict and economic downturn, the HKMCI and TID in September 2019 introduced a relief measure of principal moratorium for maximum 12 months under the SFGS and the SGS. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

From January 2019 to end February 2020, the details of applications received under the SFGS's 80% and 90% Guarantee Products are set out in the table below :

80% Guarantee Product

	2019	2020 (up to end February)
Number of Applications Received	2 965	338
Number of Applications Approved	2 734	295
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	1 469	153
• Manufacturing	287	20
• Engineering and Construction	286	42
• Others	692	80
Total Loan Amount Involved in the Applications Approved (\$)	13.772 billion	1.409 billion
<u>The major beneficiary sectors</u>		
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• Manufacturing	1.842 billion	0.119 billion
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<u>The major beneficiary sectors</u>		
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90% Guarantee Product

	16 December 2019 to end February 2020
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Number of Applications Approved	319
<u>The major beneficiary sectors</u> <ul style="list-style-type: none"> • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others 	137 25 22 135
Total Loan Amount Involved in the Applications Approved (\$)	0.528 billion
<u>The major beneficiary sectors</u> <ul style="list-style-type: none"> • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others 	0.221 billion 0.045 billion 0.032 billion 0.230 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.475 billion
<u>The major beneficiary sectors</u> <ul style="list-style-type: none"> • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others 	0.199 billion 0.039 billion 0.029 billion 0.208 billion

From January 2019 to end February 2020, the details of applications received under the SGS are set out in the table below :

	2019	2020 (up to end February)
Number of Applications Received	702	33
Number of Applications Approved	656	23
<u>The major beneficiary sectors</u>		
• Import and Export Trade	278	10
• Wholesale and Retail	107	3
• Others	271	10
Total Loan Amount Involved in the Applications Approved (\$)	1.643 billion	0.07 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.688 billion	0.042 billion
• Wholesale and Retail	0.219 billion	0.009 billion
• Others	0.736 billion	0.019 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.818 billion	0.035 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.342 billion	0.021 billion
• Wholesale and Retail	0.110 billion	0.004 billion
• Others	0.366 billion	0.010 billion

- At the same time, the Government assists enterprises in exploring markets and enhancing their overall competitiveness through various funding schemes, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

In 2019-20, the Government injected \$1 billion into the SME Export Marketing Fund (EMF), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding; and expanding the scope of funding for business missions to further assist enterprises in exploring overseas markets.

The Government also injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million (including \$2 million under the Mainland Programme and \$2 million under the Free Trade Agreement (FTA) Programme); extending the geographical coverage of the

BUD Fund from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed FTAs with Hong Kong; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding to provide more funding to enterprises directly for market exploration.

Moreover, TID administers the Trade and Industrial Organisation Support Fund (TSF) which provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The details of applications of the above-mentioned funding schemes in 2019 are set out below-

	EMF	BUD Fund	TSF
Number of applications received ^{Note1}	16 246	1 721	77
Number of applications approved	11 919	736	33
Number of beneficiaries	6 801	681	Not applicable ^{Note2}
Amount of guarantees/grants approved by the Government (\$)	299 million	429 million	75.1 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Jewellery	1. Wholesale and Retail 2. Import and Export Trade 3. Information Technology	1. Cross-sector 2. Information Technology 3. Industrial Machinery

Note 1: Including the applications withdrawn by the applicant enterprises.

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

- The Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council (HKPC) and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau (CEDB) allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

Effectiveness

The SME support measures launched by the Government in 2019-20 were well received. Amongst others, there was a significant increase in the number of applications for the 80% Guarantee Product under the SFGS since the launch of enhancement measures in November 2018. In 2019, a total of 2 734 cases were approved, increased by 60% as compared with 2018, involving \$13.772 billion, increased by 89% as compared with 2018. The number of applications received under the SGS each year also remains stable. As for the EMF, the number of applications approved (11 919) and the total amount of grants approved (\$299 million) in 2019 increased by 32% and 79% respectively over 2018. As for the BUD Fund, the number of applications approved (736) and the total amount of grants approved (\$429 million) in 2019 increased by 53% and 97% respectively over 2018.

Plans for 2020-21

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SFGS, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

In addition, the Government will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion.

Other SME-related support measures

Intellectual property (IP)

On the IP front, the Intellectual Property Department (IPD) will continue to run the "IP Manager Scheme" (Scheme) and the free "IP Consultation Service" in 2020-21 to help SMEs build up their manpower capacity in IP management and commercialisation. Since the launch of the IP Manager Scheme in May 2015, IPD organised ten rounds of IP Manager Training Programme and fifteen practical workshops under the Scheme, over 1 900 and 490 participants coming from over 1 400 SMEs attending the events respectively. Since the launch of the free "IP Consultation Service" in 2014, IPD has completed over 420 consultations by February 2020.

Since October 2015, IPD has been sponsoring professional bodies in conducting various training courses on IP related subjects to assist SMEs in managing IP assets and conducting IP commercialisation. Topics covered include patent search, trade mark search, practical skills in handling patent matters, preparation for the National Qualification Examination for Patent Agents, and IP valuation. Over 700 persons have participated in various trainings so far.

Exploring overseas business opportunities

In the past few years, the Hong Kong Trade Development Council (TDC) endeavoured to help Hong Kong enterprises explore opportunities arising from e-tailing and e-commerce, and seize opportunities arising from new retail and consumption modes. In 2019-20, through an array of measures, TDC endeavoured to help Hong Kong enterprises explore new export markets, sourcing markets, new industries with high growth potential and new modes of market exploration. Measures included strengthening exchanges with exhibitions worldwide to increase exposure of Hong Kong businesses in different markets and helping SMEs in Hong Kong seize business opportunities in the digital era.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for SMEs and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the ASEAN by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

Furthermore, TDC will continue to render full support for the development of start-ups in Hong Kong and help SMEs upgrade and transform. TDC will also strengthen the development of digital economy, provide digital marketing and e-commerce solutions for Hong Kong SMEs, as well as promote Hong Kong as the ideal venue for showcasing and testing new technology.

Export credit insurance

The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover, and providing premium discount to assist SMEs in reducing operating costs. ECIC

also introduced special enhanced measures in June and September 2018 to strengthen protection for Hong Kong exporters affected by the US tariff measures, including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for "Small Business Policy" (SBP) holders; increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures.

In 2019, the corporation extended twice the special enhanced measures to 30 June 2022, aiming to step up support to Hong Kong exporters especially SMEs amid the worsening business environment led by the volatile global economy, the continued US-Mainland China trade conflict, and weakening external demands in the past year. ECIC will continue to monitor the global economy and adjust the enhanced measures as appropriate.

As at end-February 2020, 826 SBP policyholders benefitted from the 30% discount on premium, involving a total of \$2.47 million of discount; 513 SBP policyholders benefitted from the increased credit limit for US buyers, involving additional credit limit of \$224 million; and the number of exporters benefitting from the free buyer credit assessment and the number of policyholders benefitting from the free pre-shipment cover were 172 and 10 respectively.

Support for retail industry

The Retail Technology Adoption Assistance Scheme for Manpower Demand Management aims to support the retail industry (in particular SMEs) to adopt technologies for manpower management and enhancing productivity. As at the end of February 2020, over 410 applications were approved (including more than 90% from SMEs) with a total amount of funding approved of around \$15.3 million.

Summary

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

The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of CEDB and respective departments/organisations, and cannot be quantified separately. ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)056

(Question Serial No. 0501)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) under this Programme includes co-ordinating Hong Kong's participation in the second China International Import Expo (CIIE) in Shanghai. Please inform this Committee of the details and results of the efforts with regard to the first CIIE in 2019-20. What business opportunities have been brought to Hong Kong? What was the expenditure involved? What is the expenditure on the relevant work for 2020-21 and what are the expected results? Will there be new arrangements in view of the novel coronavirus epidemic and China-US trade conflicts?

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

Reply:

The second China International Import Expo (CIIE), featuring the Country Pavilion for Trade and Investment, the Enterprise and Business Exhibition, and the Hongqiao International Economic Forum, was held in Shanghai from 5 to 10 November 2019.

The Government set up a Hong Kong Exhibition Area in the China Pavilion of the Country Pavilion for Trade and Investment during the CIIE to introduce Hong Kong's strengths, and Hong Kong's role in the Mainland's development, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area, using multimedia technologies to demonstrate how Hong Kong has served as the gateway and important hub connecting the Mainland and the international community. In addition, Government officials and academic leaders have been invited to attend and speak at the Hongqiao International Economic Forum.

Hong Kong enterprises also actively participated in the second CIIE to showcase and promote Hong Kong's quality products and professional services. According to official statistics, a total of 194 Hong Kong enterprises exhibited in the second CIIE, an increase of 31% compared to that of the first year. The total transaction value amounted to USD 1.25 billion.

The third CIIE would be held in Shanghai from 5 to 10 November 2020. The Government will continue to participate actively, and seek more exhibition space for Hong Kong enterprises with a view to promoting domestic sales in the Mainland market. The estimated expenditure for the related work in 2020-21 is \$13.1 million. In addition, we will remain in close contact with the organising authorities, and take corresponding actions to any arrangements made by the organising authorities in response to the COVID-19 outbreak.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)057

(Question Serial No. 0504)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (CEDB) has worked with the Hong Kong Export Credit Insurance Corporation (ECIC) to assist Hong Kong exporters, including the introduction of enhanced measures for strengthening the support and protection to Hong Kong exporters amid the trade conflicts between the United States (US) and the Mainland. Please advise this Committee of the details of such enhanced measures and strengthened support as well as the expenditure involved. In view of the unstable global economic outlook as well as the continued trade conflicts between the US and the Mainland, will the Government regularise such enhanced measures?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 38)

Reply:

The Hong Kong Export Credit Insurance Corporation (ECIC) has introduced in June and September 2019 special enhanced measures to strengthen protection for Hong Kong exporters affected by the tariff measures of the United States (US), including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for "Small Business Policy" (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million); increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures.

The Government takes into account the trade's situation and needs when implementing various measures. We will continue to closely monitor developments and maintain close communication with the trade. We will also keep reviewing our support measures to the trade, particularly small and medium enterprises, to ensure that the measures are appropriate.

Amid the worsening business environment led by the volatile global economy, the continued US-Mainland China trade conflict, and weakening external demands in the past year, ECIC extended twice in 2019 the special enhanced measures to 30 June 2022, aiming to step up support to Hong Kong exporters especially SMEs. ECIC will continue to monitor the global economy and adjust the enhanced measures as appropriate.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)058

(Question Serial No. 1027)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, one of the matters requiring special attention by the Commerce, Industry and Tourism Branch is to nurture an international entrepreneurial ecosystem for Hong Kong in the digital era. Please advise this Committee of the outcome of relevant work in the past year. What was the relevant expenditure? What are the specific measures, work plans and estimated expenditure for 2020-21?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 58)

Reply:

The Hong Kong Trade Development Council (TDC) endeavours to help Hong Kong enterprises seize opportunities arising from the digital era, improves their competitiveness and connects start-ups with potential partners in the world through an array of measures.

In 2019-20, over 500 start-ups showcased their innovative ideas and products to buyers worldwide at the *Start-up Zone* set up by TDC at various exhibitions and conventions, and participated in a series of events including pitching, project matching and mentoring sessions. TDC also organised the 11th *Entrepreneur Day* in May 2019 which showcased innovative products and technology from over 280 companies, as well as various support services for entrepreneurs, attracting more than 18 600 visitors. The final pitching of the second *Start-up Express* programme was also held during the event in which ten winning start-ups were selected.

Furthermore, TDC organised an open competition on innovation named *IP Hatch* for start-ups and entrepreneurs. TDC also launched an online start-up community named *Hong Kong Start-up Society* to invite industry experts to share insights and provide information on angel funds, incubation programmes and start-up events.

In 2020-21, TDC will nurture an international entrepreneurial ecosystem for Hong Kong in the digital era, in order to promote economic development and take businesses to the next level. TDC will, through an array of measures, assist businesses to utilise the Hong Kong platform for exploring global business, equip them for digital economy and establish Hong Kong as Asia's start-up hub. Amongst others, TDC will increase the number of winners of the *Start-up Express* programme to 20, provide start-ups with opportunities to present their ideas to business leaders, step up promotion of Hong Kong start-up brands, and offer a free trial of online promotion package for Hong Kong exhibitors.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)059

(Question Serial No. 1154)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has mentioned in paragraph 81 of the Budget Speech that an additional funding of \$150 million will be allocated to the Trade Development Council (TDC) for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations. Please advise this Committee of the specific plans, timetables and expenditures of these initiatives and delegations. In which cities will the Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops be set up? In which regions were similar programmes organised in the previous year? What was the expenditure and the effectiveness?

In addition, it is also mentioned in the Budget Speech that “the Anti-epidemic Fund has also set aside resources to provide subsidies to enterprises for attending conferences and exhibitions organised by the TDC, and subsidise the conferences and exhibitions to be held at the Hong Kong Convention and Exhibition Centre and the Asia World-Expo. These measures will help re-establish the confidence of the international community in Hong Kong as Asia's business hub and explore market opportunities for Hong Kong companies.” What are the details of these measures and the funding involved?

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

Reply:

The Hong Kong Trade Development Council (TDC) promotes and reinforces Hong Kong's role as a two-way investment and trade hub through various measures. Amongst others, in 2019-20, TDC set up Hong Kong Pavilions in major fairs on the Mainland such as the *China International Import Expo*. Also, TDC showcased various Hong Kong brands and helped Hong Kong enterprises explore markets through its *Design Gallery* network with 40 physical retail outlets on the Mainland and presence on 3 e-commerce platforms, as well as

the *DG Studio* initiative in Thailand and Malaysia. TDC also organised 26 missions with destinations including the Mainland, Malaysia, Spain, United Arab Emirates and Vietnam, etc. Over 450 companies participated in these missions.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for SMEs and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

Regarding the Convention and Exhibition Industry Subsidy Scheme under the Anti-epidemic Fund, the financial impact of the measure will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill or the estimates on the General Revenue Account.

To send a clear message to the trade immediately that we welcome the resumption of convention and exhibition (C&E) events in Hong Kong once the outbreak has come to an end, help secure confidence of event organisers in Hong Kong as well as allow preparation time for event organisers, exhibitors, buyers and other participants to return to Hong Kong to organise or participate in C&E events, the scheme will subsidise participants of exhibitions and conventions organised by TDC and all other organisers of exhibitions and international conventions at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo, with a view to reinvigorating Hong Kong's reputation as an international premier C&E hub.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1155)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Matters Requiring Special Attention in this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the enhanced Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and free trade agreement markets. Will the Government please inform this Committee of the usage of BUD Fund and the expenditure incurred in 2019-20? In recent years, the HKSAR Government stated that it would develop "Brand Hong Kong" and assist the enterprises concerned in upgrading and restructuring their operations and exploring markets. How effective was the relevant work? What are the specific plans and expenditure involved for the relevant work in 2020-21? What are the expected outcomes?

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

Reply:

In 2019-20, the Government injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million (including \$2 million under the Mainland Programme and \$2 million under the Free Trade Agreement (FTA) Programme); extending the geographical coverage of the BUD Fund from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed FTAs with Hong Kong; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding to provide more funding to enterprises directly for market exploration. The number of applications approved (736) and the total amount of grants approved (\$429 million) by the BUD Fund in 2019 increase by 53% and 97% respectively over 2018.

The implementation progress of the BUD Fund in 2019 is as follows:

Number of applications approved	736
Number of beneficiaries	681
Amount of grants approved by the Government (\$)	429 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Wholesale and Retail 2. Import and Export Trade 3. Information Technology

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

In addition, the Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of the Trade and Industry Department (TID), the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council (HKPC) and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

In 2020-21, the Government will continue to help enterprises obtain financing, expand markets and enhance their competitiveness through various funding schemes. The Government will also enhance SMEs' understanding of the Government's funding schemes, with a view to encouraging better utilisation of the support provided by the Government through various promotion channels. TID and HKPC, the implementation partner of the BUD Fund, will organise talks and attend seminars organised by trade and industrial organisations, and through the official website promote the BUD Fund. The expenditure for the BUD Fund in 2020-21 is estimated to be \$592 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1156)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Matters Requiring Special Attention in this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Trade and Industry Department to implement the enhanced SME Export Marketing Fund to support Hong Kong enterprises in exploring the Mainland and overseas markets. Will the Government please inform this Committee of the effectiveness of the work done in the last financial year? What domestic and overseas markets had been developed? What was the expenditure incurred? What is the estimated expenditure for 2020-21? How will the Government assist Hong Kong enterprises in exploring the Mainland and overseas markets?

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

Reply:

In 2019-20, the Government injected \$1 billion into the SME Export Marketing Fund (EMF), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; expanding the scope of funding for business missions; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding to assist enterprises in exploring overseas markets. The number of applications approved (11 919) and the total amount of grants approved by the EMF (\$299 million) in 2019 increased by 32% and 79% respectively over 2018.

The implementation progress of the EMF in 2019 is as follows:

Number of applications approved	1 1919
Number of beneficiaries	6 801
Amount of grants approved by the Government (\$)	299 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Jewellery

There is no geographical restriction for applications under the EMF. Among the approved applications in 2019, the major markets of funded promotion activities include the Mainland, the European Union, the United States, the Association of Southeast Asian Nations, as well as emerging markets such as the United Arab Emirates, India, South Africa and Russia, etc.

In addition, the Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of the Trade and Industry Department, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

In 2020-21, the Government will continue to help enterprises obtain financing, expand markets and enhance their competitiveness through various funding schemes. The Government will also enhance SMEs' understanding of the Government's funding schemes, with a view to encouraging better utilisation of the support provided by the Government through various promotion channels. The expenditure of the EMF in 2020-21 is estimated to be \$476 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1589)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) under this Programme is to provide support to local businesses operating in the Mainland. Please inform this Committee of the expenditure involved for such work in the previous year. What support has been provided to Hong Kong businesses in the Mainland? With the continuing trade conflict between China and the United States and under the impact of the novel coronavirus epidemic, the operating environment of small and medium enterprises is deteriorating rapidly. In the new 2020-21, what are the new work plans to support Hong Kong businesses operating in the Mainland in tiding over the economic downturn? What is the expenditure to be involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 41)

Reply:

2019-20

The Government attaches great importance to the development of small and medium enterprises (SMEs) (including Hong Kong SMEs operating on the Mainland), and review the various support measures from time to time in response to the economic situation in order to provide timely and due support to SMEs. The measures launched by the Commerce, Industry and Tourism Branch to support SMEs and their relevant expenditure are as follows-

- The HKMC Insurance Limited (HKMCI) provides loan guarantee at a preferential guarantee fee to help relieve the liquidity problem facing SMEs, including Hong Kong enterprises operating on the Mainland, through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May

2012 and December 2019. The Government has made three enhancement measures to the SFGS 80% Guarantee Product in November 2018, including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years. Moreover, the Trade and Industry Department (TID) provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

In view of the impact brought by the US-China trade conflict and economic downturn, the HKMCI and TID in September 2019 introduced a relief measure of principal moratorium for maximum 12 months under the SFGS and the SGS. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

From January 2019 to end February 2020, the details of applications received under the SFGS's 80% and 90% Guarantee Products are set out in the table below :

80% Guarantee Product

	2019	2020 (up to end February)
Number of Applications Received	2 965	338
Number of Applications Approved	2 734	295
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	1 469	153
• Manufacturing	287	20
• Engineering and Construction	286	42
• Others	692	80
Total Loan Amount Involved in the Applications Approved (\$)	13.772 billion	1.409 billion
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	7.766 billion	0.767 billion
• Manufacturing	1.842 billion	0.119 billion
• Engineering and Construction	1.409 billion	0.150 billion
• Others	2.755 billion	0.373 billion

	2019	2020 (up to end February)
Total Guarantee Amount Involved in the Applications Approved (\$)	11.017 billion	1.127 billion
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	6.213 billion	0.613 billion
• Manufacturing	1.473 billion	0.095 billion
• Engineering and Construction	1.127 billion	0.120 billion
• Others	2.204 billion	0.299 billion

90% Guarantee Product

	16 December 2019 to end February 2020
Number of Applications Received	390
Number of Applications Approved	319
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	137
• Engineering and Construction	25
• Manufacturing	22
• Others	135
Total Loan Amount Involved in the Applications Approved (\$)	0.528 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.221 billion
• Engineering and Construction	0.045 billion
• Manufacturing	0.032 billion
• Others	0.230 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.475 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.199 billion
• Engineering and Construction	0.039 billion
• Manufacturing	0.029 billion
• Others	0.208 billion

From January 2019 to end February 2020, the details of applications received under the SGS are set out in the table below :

	2019	2020 (up to end February)
Number of Applications Received	702	33
Number of Applications Approved	656	23
<u>The major beneficiary sectors</u>		
• Import and Export Trade	278	10
• Wholesale and Retail	107	3
• Others	271	10
Total Loan Amount Involved in the Applications Approved (\$)	1.643 billion	0.07 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.688 billion	0.042 billion
• Wholesale and Retail	0.219 billion	0.009 billion
• Others	0.736 billion	0.019 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.818 billion	0.035 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.342 billion	0.021 billion
• Wholesale and Retail	0.110 billion	0.004 billion
• Others	0.366 billion	0.010 billion

- At the same time, the Government assists enterprises in exploring markets (including the Mainland market) and enhancing their overall competitiveness through various funding schemes, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

In 2019-20, the Government injected \$1 billion into the SME Export Marketing Fund (EMF), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding; and expanding the scope of funding for business missions to further assist enterprises in exploring Mainland and overseas markets.

The Government also injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million (including doubling the cumulative funding

ceiling for each enterprise from \$1 million to \$2 million under the Mainland Programme); increasing the ratio of initial payment from 25% to up to 75% of the approved government funding; relaxing the budget cap of individual expenditure items and allowing more fundable items (including costs for setting up new business entity on the Mainland, procuring/leasing additional machinery/equipment for increasing production capacity, etc.); and allowing Hong Kong enterprises operating on the Mainland to utilise the BUD Fund for exploring markets in other economies which have signed Free Trade Agreements with Hong Kong to provide more funding to enterprises directly for market exploration.

Moreover, TID administers the Trade and Industrial Organisation Support Fund (TSF) which provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The details of applications of the above-mentioned funding schemes in 2019 are set out below :

	EMF	BUD Fund	TSF
Number of applications received ^{Note1}	16 246	1 721	77
Number of applications approved	11 919	736	33
Number of beneficiaries	6 801	681	Not applicable ^{Note2}
Amount of guarantees/grants approved by the Government (\$)	299 million	429 million	75.1 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Jewellery	1. Wholesale and Retail 2. Import and Export Trade 3. Information Technology	1. Cross-sector 2. Information Technology 3. Industrial Machinery

Note 1: Including the applications withdrawn by the applicant enterprises.

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

- The Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council (HKPC) and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau (CEDB) allocated additional resources to establish "SME ReachOut", which has commenced

operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

Effectiveness

The SME support measures launched by the Government in 2019-20 were well received. Amongst others, there was a significant increase in the number of applications for the 80% Guarantee Product under the SFGS since the launch of enhancement measures in November 2018. In 2019, a total of 2 734 cases were approved, increased by 60% as compared with 2018, involving \$13.772 billion, increased by 89% as compared with 2018. The number of applications received under the SGS each year also remains stable. As for the EMF, the number of applications approved (11 919) and the total amount of grants approved (\$299 million) in 2019 increased by 32% and 79% respectively over 2018. As for the BUD Fund, the number of applications approved (736) and the total amount of grants approved (\$429 million) in 2019 increased by 53% and 97% respectively over 2018, among which under the Mainland Programme the number of applications approved (517) and the total amount of grants approved (\$297 million) in 2019 increased by 17% and 52% respectively over 2018.

Plans for 2020-21

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SFGS, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden (including Hong Kong enterprises operating on the Mainland) of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

In addition, the Government will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion.

Other SME-related support measures

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

The Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) by seeking various preferential and facilitation measures for the trade. In

November 2019, Hong Kong and the Mainland signed an agreement (the Amendment Agreement) to amend the CEPA Agreement on Trade in Services which has been implemented since June 2016. The Amendment Agreement introduces new liberalisation measures in a number of important services sectors such as financial services, legal services, construction and related engineering services, testing and certification, television, motion pictures, tourism services, etc., making it easier for Hong Kong service suppliers and professionals to set up enterprises and develop business on the Mainland. The Amendment Agreement will be implemented from 1 June 2020. TID plans to organise a CEPA Forum later this year on the Amendment Agreement, with a view to strengthening the trade's understanding of the new liberalisation measures and related implementation arrangements. TID provides business information and consultation services free of charge. It has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation and updates of relevant regulations and implementation of liberalisation measures on its website for the trade's reference in a timely manner.

TID maintains close liaison with the trade through various channels so as to keep abreast of the trade's concerns and views. It also maintains close liaison with the Mainland authorities to relay to them the trade's views and to discuss with them support measures for the trade. Among others, in 2019, TID consulted the trade before implementation of the Foreign Investment Law and its implementation regulations on the Mainland, and conveyed the trade's concerns to the Ministry of Commerce. In addition, TID disseminates business information to the trade by means of circulars to enhance the trade's understanding of the Mainland's latest trade policies, legislation and business environment. In 2019-20, TID issued in total about 700 circulars relating to the Mainland's latest trade policies, including measures by the Mainland authorities in supporting enterprises in light of the COVID-19 outbreak, covering expediting the registration and approval of production of medical protective clothing, measures relating to the tax policies, aspects of labour and social welfare, etc. TID's website also includes a dedicated page on economic and trade information of the Mainland, with about 200 hyperlinks to the economic and trade websites of Mainland authorities, so as to facilitate Hong Kong enterprises to get access to economic and trade information of the Mainland on a single platform.

Exploring overseas business opportunities

In the past few years, the Hong Kong Trade Development Council (TDC) endeavoured to help Hong Kong enterprises explore opportunities arising from e-tailing and e-commerce, and seize opportunities arising from new retail and consumption modes. In 2019-20, through an array of measures, TDC endeavoured to help Hong Kong enterprises explore new export markets, sourcing markets, new industries with high growth potential and new modes of market exploration. Measures included strengthening exchanges with exhibitions worldwide to increase exposure of Hong Kong businesses in different markets and helping SMEs in Hong Kong seize business opportunities in the digital era.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild

international confidence on Hong Kong as Asia's commercial hub, create opportunities for SMEs and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the ASEAN by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

Furthermore, TDC will continue to render full support for the development of start-ups in Hong Kong and help SMEs upgrade and transform. TDC will also strengthen the development of digital economy, provide digital marketing and e-commerce solutions for Hong Kong SMEs, as well as promote Hong Kong as the ideal venue for showcasing and testing new technology.

To strengthen the promotion of Hong Kong brands on the Mainland, TDC will continue to stage Hong Kong products and services pavilions in the third China International Import Expo. Also, with the rapid development of digital marketing, TDC will organise a series of Digital Chic HK brand-building campaigns on the Mainland. TDC will also provide a platform for Hong Kong enterprises to showcase their products through its Design Gallery network on the Mainland.

Export credit insurance

The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover, and providing premium discount to assist SMEs in reducing operating costs. ECIC also introduced special enhanced measures in June and September 2018 to strengthen protection for Hong Kong exporters affected by the US tariff measures, including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for "Small Business Policy" (SBP) holders; increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures.

In 2019, the corporation extended twice the special enhanced measures to 30 June 2022, aiming to step up support to Hong Kong exporters especially SMEs amid the worsening business environment led by the volatile global economy, the continued US-Mainland China trade conflict, and weakening external demands in the past year. ECIC will continue to monitor the global economy and adjust the enhanced measures as appropriate.

Summary

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

The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of CEDB and respective departments/organisations, and cannot be quantified separately. ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1590)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that one of the duties of the Commerce, Industry and Tourism Branch (CITB) is to closely monitor the trade protection measures adopted by the United States (US) since early 2018 and the developments of the trade conflict between the US and the Mainland and their impact on Hong Kong's economy, maintain close communication with the trade and respond timely to their needs by introducing timely targeted measures to assist the trade in developing markets and diversifying risks, and to relieve their financing burden. Please advise this Committee of the work done by the CITB in the past year, namely the measures implemented to assist the trade, the expenditure involved, the major beneficiary sectors and the effectiveness. The persistence of the trade conflict between the US and the Mainland, the rapid change in global economic environment and the recent outbreak of the novel coronavirus have further worsened the business of small and medium enterprises, especially the export sector. What specific plans will be implemented in the new financial year of 2020-21? What will be the estimated expenditure involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 44)

Reply:

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

2019-20

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

- The HKMC Insurance Limited (HKMCI) provides loan guarantee at a preferential guarantee fee to help relieve the liquidity problem facing SMEs through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in

May 2012 and December 2019. The Government has made three enhancement measures to the SFGS 80% Guarantee Product in November 2018, including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years. Moreover, the Trade and Industry Department (TID) provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

In view of the impact brought by the US-China trade conflict and economic downturn, the HKMCI and TID in September 2019 introduced a relief measure of principal moratorium for maximum 12 months under the SFGS and the SGS. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

From January 2019 to end February 2020, the details of applications received under the SFGS's 80% and 90% Guarantee Products are set out in the table below –

80% Guarantee Product

	2019	2020 (up to end February)
Number of Applications Received	2 965	338
Number of Applications Approved	2 734	295
<u>The major beneficiary sectors</u>		
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• Manufacturing	287	20
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• Others	692	80
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Total Guarantee Amount Involved in the Applications Approved (\$)	11.017 billion	1.127 billion
<u>The major beneficiary sectors</u>		
• Trading, Wholesale and Retail	6.213 billion	0.613 billion
• Manufacturing	1.473 billion	0.095 billion
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• Others	2.204 billion	0.299 billion

90% Guarantee Product

	16 December 2019 to end February 2020
Number of Applications Received	390
Number of Applications Approved	319
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	137
• Engineering and Construction	25
• Manufacturing	22
• Others	135
Total Loan Amount Involved in the Applications Approved (\$)	0.528 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.221 billion
• Engineering and Construction	0.045 billion
• Manufacturing	0.032 billion
• Others	0.230 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.475 billion
<u>The major beneficiary sectors</u>	
• Trading, Wholesale and Retail	0.199 billion
• Engineering and Construction	0.039 billion
• Manufacturing	0.029 billion
• Others	0.208 billion

From January 2019 to end February 2020, the details of applications received under the SGS are set out in the table below –

	2019	2020 (up to end February)
Number of Applications Received	702	33
Number of Applications Approved	656	23
<u>The major beneficiary sectors</u>		
• Import and Export Trade	278	10
• Wholesale and Retail	107	3
• Others	271	10
Total Loan Amount Involved in the Applications Approved (\$)	1.643 billion	0.07 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.688 billion	0.042 billion
• Wholesale and Retail	0.219 billion	0.009 billion
• Others	0.736 billion	0.019 billion
Total Guarantee Amount Involved in the Applications Approved (\$)	0.818 billion	0.035 billion
<u>The major beneficiary sectors</u>		
• Import and Export Trade	0.342 billion	0.021 billion
• Wholesale and Retail	0.110 billion	0.004 billion
• Others	0.366 billion	0.010 billion

- At the same time, the Government assists enterprises in exploring markets and enhancing their overall competitiveness through various funding schemes, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

In 2019-20, the Government injected \$1 billion into the SME Export Marketing Fund (EMF), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding; and expanding the scope of funding for business missions to further assist enterprises in exploring overseas markets.

The Government also injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million (including \$2 million under the Mainland Programme and \$2 million under the Free Trade Agreement (FTA) Programme); extending the geographical coverage of the BUD

Fund from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed FTAs with Hong Kong; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding to provide more funding to enterprises directly for market exploration.

Moreover, TID administers the Trade and Industrial Organisation Support Fund (TSF) which provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The details of applications of the above-mentioned funding schemes in 2019 are set out below-

	EMF	BUD Fund	TSF
Number of applications received ^{Note1}	16 246	1 721	77
Number of applications approved	11 919	736	33
Number of beneficiaries	6 801	681	Not applicable ^{Note2}
Amount of guarantees/grants approved by the Government (\$)	299 million	429 million	75.1 million
The major beneficiary sectors (listed according to the number of applications approved)	1. Import and Export Trade 2. Wholesale and Retail 3. Jewellery	1. Wholesale and Retail 2. Import and Export Trade 3. Information Technology	1. Cross-sector 2. Information Technology 3. Industrial Machinery

Note 1: Including the applications withdrawn by the applicant enterprises.

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

- The Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council (HKPC) and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau (CEDB) allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

Effectiveness

The SME support measures launched by the Government in 2019-20 were well received. Amongst others, there was a significant increase in the number of applications for the 80% Guarantee Product under the SFGS since the launch of enhancement measures in November 2018. In 2019, a total of 2 734 cases were approved, increased by 60% as compared with 2018, involving \$13.772 billion, increased by 89% as compared with 2018. The number of applications received under the SGS each year also remains stable. As for the EMF, the number of applications approved (11 919) and the total amount of grants approved (\$299 million) in 2019 increased by 32% and 79% respectively over 2018. As for the BUD Fund, the number of applications approved (736) and the total amount of grants approved (\$429 million) in 2019 increased by 53% and 97% respectively over 2018.

Plans for 2020-21

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SFGS, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

In addition, the Government will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion.

Other SME-related support measures

Intellectual property (IP)

On the IP front, the Intellectual Property Department (IPD) will continue to run the "IP Manager Scheme" (Scheme) and the free "IP Consultation Service" in 2020-21 to help SMEs build up their manpower capacity in IP management and commercialisation. Since the launch of the IP Manager Scheme in May 2015, IPD organised ten rounds of IP Manager Training Programme and fifteen practical workshops under the Scheme, over 1 900 and 490 participants coming from over 1 400 SMEs attending the events respectively. Since the launch of the free "IP Consultation Service" in 2014, IPD has completed over 420 consultations by February 2020.

Since October 2015, IPD has been sponsoring professional bodies in conducting various training courses on IP related subjects to assist SMEs in managing IP assets and conducting

IP commercialisation. Topics covered include patent search, trade mark search, practical skills in handling patent matters, preparation for the National Qualification Examination for Patent Agents, and IP valuation. Over 700 persons have participated in various trainings so far.

Exploring overseas business opportunities

In the past few years, the Hong Kong Trade Development Council (TDC) endeavoured to help Hong Kong enterprises explore opportunities arising from e-tailing and e-commerce, and seize opportunities arising from new retail and consumption modes. In 2019-20, through an array of measures, TDC endeavoured to help Hong Kong enterprises explore new export markets, sourcing markets, new industries with high growth potential and new modes of market exploration. Measures included strengthening exchanges with exhibitions worldwide to increase exposure of Hong Kong businesses in different markets and helping SMEs in Hong Kong seize business opportunities in the digital era.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for SMEs and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the ASEAN by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

Furthermore, TDC will continue to render full support for the development of start-ups in Hong Kong and help SMEs upgrade and transform. TDC will also strengthen the development of digital economy, provide digital marketing and e-commerce solutions for Hong Kong SMEs, as well as promote Hong Kong as the ideal venue for showcasing and testing new technology.

Export credit insurance

The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover, and providing premium discount to assist SMEs in reducing operating costs. ECIC also introduced special enhanced measures in June and September 2018 to strengthen protection for Hong Kong exporters affected by the US tariff measures, including providing

six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for "Small Business Policy" (SBP) holders; increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures.

In 2019, the corporation extended twice the special enhanced measures to 30 June 2022, aiming to step up support to Hong Kong exporters especially SMEs amid the worsening business environment led by the volatile global economy, the continued US-Mainland China trade conflict, and weakening external demands in the past year. ECIC will continue to monitor the global economy and adjust the enhanced measures as appropriate.

As at end-February 2020, 826 SBP policyholders benefitted from the 30% discount on premium, involving a total of \$2.47 million of discount; 513 SBP policyholders benefitted from the increased credit limit for US buyers, involving additional credit limit of \$224 million; and the number of exporters benefitting from the free buyer credit assessment and the number of policyholders benefitting from the free pre-shipment cover were 172 and 10 respectively.

Summary

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

The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of CEDB and respective departments/organisations, and cannot be quantified separately. ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)064****(Question Serial No. 2505)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the development of cruise tourism in Hong Kong, will the Government inform this Committee of the following:

1. What were the respective numbers of cruise berthing in Hong Kong and neighbouring areas such as Shanghai, Singapore and Taipei in the past 5 years?
2. What were the respective numbers of cruise passengers from different parts of the Mainland, India, Taiwan, Southeast Asia and North Asia in the past 5 years?
3. The incident of transmission of novel coronavirus on the Diamond Princess cruise ship earlier on has dealt a direct blow to the development of cruise tourism in Hong Kong. Will the Government conduct assessment on such impact? Is there any plan to render assistance to the cruise industry in the area of business promotion and development?

Asked by: Hon HO Kai-ming (LegCo internal reference no.: 29)

Reply:

The numbers of ship calls in Hong Kong in the past 5 years are tabulated below -

Year	Number of ship calls
2015	142
2016	191
2017	245
2018	210
2019	218

We have no record on the number of ship calls of other ports.

The numbers of cruise passenger throughput from Mainland China, India, Taiwan, Southeast Asia and North Asia in the past 5 years are tabulated below -

Year	Mainland China	India	Taiwan	Southeast Asia	North Asia (including Japan and South Korea)
2015	132 935	10 434	12 254	21 066	7 727
2016	251 946	4 827	8 565	24 028	5 806
2017	207 986	12 399	39 550	66 006	13 993
2018	215 789	17 103	34 816	28 406	13 094
2019	273 012	14 651	11 285	26 977	17 015

The COVID-19 outbreak has hard hit the cruise tourism industry of the world as a whole. The Hong Kong Tourism Board (HKTB) will closely monitor market development. Having taken into account multiple factors, including the COVID-19 outbreak in Hong Kong and other source markets, the operational arrangements of cruise terminals in the region, and cruise lines' plans to resume itineraries in Asia, etc., HKTB will roll out promotions tailored for the specific circumstances of different markets to restore consumer confidence for cruise tourism. At the same time, we will also strengthen support to the trade in attracting cruise lines to deploy ship calls to Hong Kong and step up our partnership with cruise lines for promotions in Hong Kong and various source markets. Moreover, we will actively cultivate new visitor segments to drive the recovery of cruise tourism. The work of promoting "fly-cruise", "Express Rail Link and cruise" and Asia Cruise Cooperation will be adjusted according to market situation. Having regard to the impact of the COVID-19 outbreak, HKTB will continuously review the budget sum and investment strategy, and make optimal use of the funding according to the actual situation and adjust the estimate if necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)065

(Question Serial No. 2506)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards setting aside \$5 billion for the redevelopment of the Air Mail Centre and obtaining approval for funding application within this year, what is the anticipated time required for the completion of the Centre? Also, will the Government set out a timetable for the project or regularly report its progress to the public?

Asked by: Hon HO Kai-ming (LegCo internal reference no.: 30)

Reply:

Hongkong Post has completed the preparation work for the redevelopment of the Air Mail Centre and plans to seek funding approval from the Legislative Council at the end of this year, when it will present the details of the works plan and schedule.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)066

(Question Serial No. 0382)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Tourism Board (HKTB) will be granted an additional provision of \$791 million by the Government for subsidising the tourism industry, which has suffered severe setbacks this year. Will the Government inform this Committee of:

- the 20 key visitor source markets in which promotion will be carried out by the HKTB;
- how is the amount of provision calculated;
- the specific allocation arrangement of the provision, including the types of promotion platforms to be used, the amount allocated to each project, the time each project is expected to take, etc.; and
- the mechanism that can be adopted to measure objectively the effectiveness of the provision.

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 36)

Reply:

The Hong Kong Tourism Board (HKTB) will continue to focus its marketing resources on 20 key source markets, including the Mainland, Japan, Taiwan, South Korea, Singapore, the Philippines, Malaysia, Indonesia, Thailand, the US, Australia, the UK, Canada, Germany, France, India, Russia, the Gulf Cooperation Council (GCC) Markets, Vietnam and the Netherlands. These 20 markets together generate approximately 96% of all visitor arrivals to Hong Kong.

The Government has proposed to provide additional funding of \$791 million to HKTB in 2020-21 to step up promotion and revive the Hong Kong tourism industry. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226
2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

When the related work plan is finalised, HKTB will set up different performance indicators based on the nature of the promotion work to assess its effectiveness. It will also optimise use of the funding in light of actual market situation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)067

(Question Serial No. 0388)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will allocate an additional funding of \$150 million to the Trade Development Council (TDC) for setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities and organising trade delegations. Will the Government inform this Committee of:

- the major overseas cities selected for setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops;
- the specific allocation arrangement of the additional funding; and
- the details of the trade delegations, including the countries or cities chosen for visiting, the number of visits and specific funding arrangement.

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 43)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore

opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)068

(Question Serial No. 4505)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 38 of the Budget Speech that the Government will be subsidising and facilitating local production of anti-epidemic supplies. In this connection, would the Government inform this Committee of: (1) the approach, details, timetable, provisions involved and subsidised institutions in taking forward the above initiative; (2) whether it is up to the institutions concerned to approach the Government or vice versa; (3) whether the subsidisation policies would be formulated to accommodate the needs of the institutions or set by the Government; (4) whether the institutions have to meet certain requirements or criteria set by the Government in granting the subsidies? If yes, please state the details; and (5) how the Government can decide on whether the products manufactured by the institutions are capable of epidemic prevention and control?

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 75)

Reply:

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

The Scheme aims to facilitate the establishment of local mask production facilities in order to address the acute shortage of masks locally and to build up stock, and is administered by the Hong Kong Productivity Council (HKPC).

An applicant must be a company holding a valid Business Registration Certificate and a valid Certificate of Incorporation in Hong Kong and meets all the conditions below at the time of submitting its application:

- possesses the relevant production equipment in Hong Kong;
- possesses the raw materials in Hong Kong;
- possesses or has rented a production venue in Hong Kong;
- possesses, has rented or has hired a contractor to set up clean room facilities in Hong Kong; and
- each production line must be able to produce at least 500 000 masks per month.

In addition, the applicant must submit the following information and proof thereof

- its capability to comply with the Level 1 standard of the latest version of American Society for Testing Materials (ASTM) F2100, ISO 13485:2016 quality management system standard, and to achieve ISO Class 8 under ISO 14644-1 for the clean room after it begins production;
- its committed production output and its ability to achieve it; and
- its target commencement date for mass production supported by a detailed timetable.

The Scheme will provide subsidies to a maximum of 20 local production lines. An applicant may be granted a subsidy of up to HK\$3 million for its first mask production line approved under the Scheme, while an additional subsidy of up to HK\$2 million may be given for a second approved production line. The subsidy covers the capital costs for production equipment, venue setup, clean room setup, and the costs of testing and standard compliance. The Government will also procure up to two million masks from each subsidised production line each month for one year. The price of the masks is set with reference to major production costs and will be reviewed regularly.

As of 26 March 2020, HKPC has received a total of 103 applications. Among them, 7 applications (involving 8 production lines) have been approved, with each production line expected to produce 800 000 to 2.25 million masks each month. 4 applications (involving 5 production lines), after verification, have been confirmed to have met all eligibility criteria of the Scheme; the eligibility of 23 applications (involving 33 production lines) is being verified by HKPC through document check and on-site inspection; and the remaining 69 applications have yet to meet all eligibility criteria. Having reviewed the information provided in the applications received, the Government estimated that the number of potentially eligible production lines would very likely have exceeded the remaining quota. Therefore, HKPC has stopped receiving applications from 27 March 2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)069

(Question Serial No. 4576)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee on:

- (1) the number of prosecutions against beauty parlours for contravention of the Trade Descriptions Ordinance (TDO) and the number of successful prosecutions in the past 5 years;
- (2) the number of prosecutions against fitness centres for contravention of the TDO and the number of successful prosecutions in the past 5 years;
- (3) the number of prosecutions against telecommunications services for contravention of the TDO and the number of successful prosecutions in the past 5 years;
- (4) the number of prosecutions against photo-taking services for weddings for contravention of the TDO and the number of successful prosecutions in the past 5 years;
- (5) the number of prosecutions against timeshare contracts for contravention of the TDO and the number of successful prosecutions in the past 5 years; and
- (6) the number of prosecutions against contravention of the TDO and the number of successful prosecutions in the past 5 years?

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 157)

Reply:

From January 2015 to December 2019, 16 cases involving beauty parlours were prosecuted for contravention of the Trade Descriptions Ordinance (TDO), and 11 cases resulted in conviction; 27 cases involving fitness centre were prosecuted, and four cases resulted in conviction; one case involving telecommunications service was prosecuted and resulted in conviction; and there was no prosecution or conviction case against photo-taking services for weddings or timeshare contracts. From January 2015 to December 2019, a total of 417 cases were prosecuted for contravention of the TDO, and 364 cases resulted in conviction.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)070

(Question Serial No. 4577)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee on the following:

(1) as far as beauty parlours are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years;

(2) as far as fitness centres are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years;

(3) as far as photo-taking services for weddings are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years;

(4) as far as telecommunications services are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years; and

(5) as far as timeshare contracts are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 158)

Reply:

The numbers of complaint cases related to beauty services, fitness services, photo-taking services for weddings, telecommunications services, and time-sharing / travel club membership services received by the Consumer Council in the past 5 years are set out in the tables below. The listed amounts are based on self-declared information by the complainants who have provided such details when lodging the complaints. Complaints related to sales practices include those related to offences under the Trade Descriptions Ordinance, as well as disputes on price indication and unfair standard contract terms.

Beauty services						
Nature of Complaints	2015	2016	2017	2018	2019	Total
Late/Non-delivery	78	51	31	31	22	213
Quality of Service	437	436	375	336	250	1834
Sales Practices	515	444	373	310	286	1928
Others	349	309	368	381	309	1716
Total	1379	1240	1147	1058	867	5691
Amount Involved						
Lowest	\$20	\$38	\$1	\$80	\$20	
Highest	\$1,124,401	\$2,000,000	\$1,601,642	\$1,200,000	\$1,434,880	
Median	\$10,000	\$10,000	\$10,000	\$10,000	\$11,528	
Average	\$28,170	\$29,549	\$27,440	\$26,549	\$29,523	

Fitness services						
Nature of Complaints	2015	2016	2017	2018	2019	Total
Late/Non-delivery	6	21	5	4	97	133
Quality of Service	74	106	103	123	87	493
Sales Practices	431	329	221	415	465	1861
Others	66	1211	225	470	432	2404
Total	577	1667	554	1012	1081	4891
Amount Involved						
Lowest	\$38	\$1	\$50	\$35	\$100	
Highest	\$1,008,000	\$4,304,980	\$876,216	\$1,755,704	\$848,592	
Median	\$17,850	\$14,856	\$14,884	\$13,152	\$10,000	
Average	\$38,575	\$31,800	\$31,560	\$24,959	\$29,930	

Photo-taking services for weddings						
Nature of Complaints	2015	2016	2017	2018	2019	Total
Late/Non-delivery	19	14	11	13	15	72
Quality of Service	9	17	7	9	3	45
Sales Practices	5	16	11	7	7	46
Others	19	16	6	11	8	60
Total	52	63	35	40	33	223
Amount Involved						
Lowest	\$20	\$410	\$860	\$2,100	\$1,000	
Highest	\$82,010	\$66,294	\$50,000	\$40,380	\$29,880	
Median	\$12,739	\$11,268	\$15,690	\$15,948	\$15,000	
Average	\$15,763	\$14,444	\$16,812	\$16,491	\$14,688	

Telecommunications services						
Nature of Complaints	2015	2016	2017	2018	2019	Total
Late/Non-delivery	99	78	59	67	69	372
Quality of Service	848	744	851	719	550	3712
Sales Practices	321	277	409	335	445	1787
Others	2511	1904	1912	1675	1551	9553
Total	3779	3003	3231	2796	2615	15424
Amount Involved						
Lowest	\$1	\$2	\$1	\$2	\$3	
Highest	\$100,449	\$186,008	\$110,000	\$99,999	\$200,000	
Median	\$500	\$416	\$384	\$329	\$400	
Average	\$2,232	\$1,960	\$1,699	\$1,601	\$1,898	

Time-sharing / Travel club membership services						
Nature of Complaints	2015	2016	2017	2018	2019	Total
Late/Non-delivery	0	0	0	0	0	0
Quality of Service	2	0	0	0	1	3
Sales Practices	14	23	82	44	51	214

Time-sharing / Travel club membership services						
Others	3	5	12	15	6	41
Total	19	28	94	59	58	258
Amount Involved						
Lowest	\$2,448	\$1,000	\$300	\$500	\$1000	
Highest	\$369,000	\$188,360	\$242,334	\$272,215	\$232,580	
Median	\$72,900	\$85,580	\$68,925	\$96,680	\$86,734	
Average	\$94,549	\$71,913	\$64,493	\$78,861	\$72,299	

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)071

(Question Serial No. 5106)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the expenditure on engaging dedicated personnel to manage and maintain the Secretary's personal social media platforms, including Facebook fan page, Instagram and website?

- a. What were the number of staff responsible for maintaining the Secretary's social media platforms and the expenditure on each of the staff members (in terms of annual salary) in the past 3 years?
- b. Were outside companies engaged to assist in maintaining the social media platforms in the past 3 years? If yes, what were the expenditure and companies involved?
- c. What were the number of advertisements posted on social media and the annual expenditure on such advertisements in the past year?

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 1146)

Reply:

The Secretary for Commerce and Economic Development does not have any personal social media account.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)072

(Question Serial No. 6816)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out all the claims made by the contractors of the Kai Tak Cruise Terminal, and provide the name of contractors, date of the claims made and the amount claimed.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 856)

Reply:

The Kai Tak Cruise Terminal mainly involves site formation works and construction of cruise terminal building and ancillary facilities. Under the Conditions of Contract, without the consent of the other party under the Contract, neither the Government nor the Contractor can disclose information of the Contract, including the related claims and compensations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)073

(Question Serial No. 2739)

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

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

Programme: (9) Subvention: Competition Commission

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme 9, will the Government inform this Committee of:

- (1) the reasons for not launching major market study in 2019;
- (2) the reasons for the 9.7% decrease in the number of events, seminars, conferences and exhibitions to be conducted in 2020;
- (3) the details, in table form, of all the major campaigns or education programmes each year over the past 3 financial years, including the date, theme, number of participants, target audience and expenditure by programme;
- (4) the details, in table form, of all the major international events, seminars and conferences participated each year over the past 3 financial years, including the date, venue, theme, staff and member of the Commission participating and the expenditure involved by programme; and
- (5) all the advice given by the Commission to the Government and public bodies over the past 3 financial years, setting out by each occasion the date, the advice given by the Commission, the Government's response and whether the Commission was satisfied with the Government's response as well as the reasons for that?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 6)

Reply:

Carrying out market studies is a resource- and time-intensive endeavour. The Competition Commission (“the Commission”) has to be highly selective in determining suitable study topics, which should have significant and positive impact on competition and benefit consumers in Hong Kong. The Commission’s lack of legal power to compel information is also a factor for consideration when choosing the study topics. Although no market study were launched by the Commission in 2019, it continued to enhance effective competition in the market through other means, including maintaining liaison with various government departments and public bodies, and taking enforcement actions under the Competition Ordinance (“the Ordinance”).

The Commission has been reaching out to the public and businesses to enhance their understanding of the Ordinance and to encourage compliance through targeted campaigns and outreach activities with various themes and formats. Apart from promotional and educational activities initiated by the Commission, it has also been conducting activities upon requests from various stakeholders, such as businesses, trade associations, public organisations and academic institutes. With growing awareness and understanding of the Ordinance, the Commission expects that the number of requests for briefings and meetings in 2020 would decrease. The Commission also anticipates that the number of seminars and conferences to be conducted in 2020 would fall due to the COVID-19 outbreak.

From 2017 to 2019, the Commission launched five major publicity/youth education campaigns targeting the general public, businesses, youths and students, an international conference attended by representatives from different sectors, as well as a regional summit for competition law enforcers and academics. In addition, a total of 247 outreach events and activities were organised, with details as follows:

Target Audiences	Types of Events	No. of Events	Approximate no. of Participants
General Public and Businesses	Meetings, seminars, briefings, conferences and exhibitions	165	More than 10,000*
Public Sector	Workshops, seminars and trainings	28	1,200
Youths and Students	Talks and workshops	54	4,400

* *The figure does not include the number of exhibition visitors which cannot be accurately counted.*

Over the past three financial years, the Commission’s average expenditure on publicity and advocacy each year was around \$6.4 million. This figure does not include staff cost and other general expenses which cannot be quantified separately.

Over the past three financial years, the Commission strengthened its partnerships with overseas competition law enforcement agencies and played an increasingly active role in the

international community. During the period, the Commission participated in major global and regional annual events, including the Organisation for Economic Co-operation and Development Global Forum on Competition; the China Competition Policy Forum; the International Competition Network's Annual Conference and Workshops (of which the Commission served as the Working Group Co-chair); and the East Asia Top-level Officials' Meeting on Competition Policy. When deciding on the size of the delegations, the Commission takes into account its operational needs, the significance of the events as well as budgetary considerations. The principle is to keep it at a minimum for meeting the requirements. In most cases, the delegations comprise the Chairperson or an executive of the Commission who has a speaking role and a member of staff who will have specific duties to perform at the events. The Commission has spent an average of \$0.6 million per year on international events and related work.

Over the past three financial years, the Commission provided competition advice to the Government and public bodies in relation to a number of major policy matters, such as the Hong Kong Code of Marketing of Formula Milk and Related Products for Infants and Young Children; the Voluntary Health Insurance Scheme; measures to combat ticket scalping; the Food Truck Pilot Scheme; the Franchised Taxi Service proposal; use of Non-collusive Clauses and Certificate; market engagement under the Government's pro-innovation procurement policy; and Free Trade Agreements.

The Commission has noticed a steady increase in the number of consultations and enquiries from the Government and public bodies, reflecting increasing awareness of the importance of considering the competition angle in the policy-making process. Generally speaking, the Commission's advice has been positively received by the Government and public bodies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)074

(Question Serial No. 2745)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme (3), will the Government advise this Committee of the following:

1. the accomplishments of the 50 offices of the Hong Kong Trade Development Council (HKTDC) in the past 3 financial years, including the number of companies attracted to invest in Hong Kong, the total amount of investment by foreign businesses attracted to Hong Kong, the number of jobs created for Hong Kong, the number of HKTDC-assisted investment projects of Hong Kong businesses in the respective regions and the total amount of investment of these businesses. Please tabulate the information;

2. all the exhibitions held by the 50 HKTDC offices in their respective regions in the past 3 financial years, and in respect of each exhibition, the number of exhibitors, the total expenditure, the number of companies attracted to invest in Hong Kong, the total amount of investment in Hong Kong by these foreign businesses, the number of jobs created for Hong Kong, the number of HKTDC-assisted investment projects of Hong Kong businesses in the respective regions and the total amount of investment of these businesses. Please tabulate the information;

3. the estimated provision, the number of staff, and the estimated annual operational expenditure of the 50 offices, and the amount of direct investment in Hong Kong in the past 3 years made by the country or region where the office is located, a breakdown of the investment by sector, and the number of jobs created for Hong Kong. Please tabulate the information; and

4. please tabulate the public relations or lobbying services contracts awarded by the HKTDC in all locations outside Hong Kong in the past 3 years, and the company names, tenures of contracts, annual contract sums (which can be replaced by the total sum of contracts awarded under a single category in a year if confidential information is involved) and main tasks involved with a breakdown by city. Please list out the information

separately if a city was awarded both public relations and political lobbying services contracts.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 2)

Reply:

Through its global office network and promotion events, the Hong Kong Trade Development Council (TDC) has been exploring mature and new markets in order to promote and reinforce Hong Kong's role as a two-way investment and trade hub. To promote trade between Hong Kong and the relevant countries or regions, TDC's offices worldwide have been supporting TDC's promotion events. These include large-scale events such as *Think Asia*, *Think Hong Kong* targeting mature markets, *In Style · Hong Kong* targeting markets of the Association of Southeast Asian Nations, and *Chic HK* targeting the Mainland market. In 2017-18 to 2019-20, TDC respectively organised 883, 862 and 742 trade and services promotion events in Hong Kong and around the world. Furthermore, TDC's offices worldwide will help Hong Kong enterprises expand local business, actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. Therefore, the outcome of individual events or the work of individual offices cannot be quantified separately.

The regional budgets for TDC's offices worldwide in 2020-21 and the total bilateral trade between Hong Kong and the respective regions are tabulated as follows. TDC's 50 offices are located in different regions and the geographical coverage of many of them is beyond the countries or cities where they are located. Therefore, the budget and total bilateral trade are shown by regions. As regards attracting foreign direct investment to Hong Kong, it is under the purview of Invest Hong Kong.

Region (in alphabetical order)	City where the TDC office is located (in alphabetical order)	Budget in 2020-21 (HK\$)	Total bilateral trade between Hong Kong and the relevant region in 2019 (HK\$100 million)
Africa and Middle East	Dubai, Johannesburg, Nairobi, Riyadh, Tel Aviv	12,977,000	2,050.4
Americas	Chicago, Los Angeles, Mexico City, New York, Santiago, Sao Paulo, Toronto	50,755,000	6,726.9
Asia (other than the Middle East)	Almaty, Bangkok, Beijing, Chengdu, Chongqing, Dalian, Delhi, Fuzhou, Guangzhou, Hangzhou, Ho Chi Minh City, Jakarta, Kuala Lumpur, Manila, Mumbai, Nanjing, Osaka, Qingdao, Seoul, Shanghai, Shenzhen, Singapore,	149,638,000	66,385.8

Region (in alphabetical order)	City where the TDC office is located (in alphabetical order)	Budget in 2020-21 (HK\$)	Total bilateral trade between Hong Kong and the relevant region in 2019 (HK\$100 million)
	Taipei, Tokyo, Wuhan, Xian		
Australasia	Sydney	5,741,000	638.2
Europe	Barcelona, Budapest, Frankfurt, Istanbul, London, Milan, Moscow, Paris, Prague, Stockholm, Warsaw	57,975,000	8,224.6

Having regard to practical needs, TDC hires public relations (PR) agencies to provide short-term PR services for some of the trade and services promotion events, and such agencies are responsible for arranging media interviews, organising media events and handling related enquiries, etc. outside Hong Kong. In light of contract spirit, TDC cannot disclose details of individual PR service contracts without obtaining consent from the other parties. Furthermore, based on the nature, scale and audience of other trade and services promotion events, TDC may hire companies to provide an array of services related to the events, such as PR services, multimedia production, interpretation, etc. The contracts of individual service providers seldom specify the fees of each service item charged. Therefore, TDC does not have a record of its overall PR expenditure.

In addition, TDC has hired consultants in the United States to conduct research and lobbying work in relation to economic and trade policies. From 2017-18 to 2019-20, the relevant expenditure is about US\$1.64 million per year.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)075

(Question Serial No. 2746)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme 6, please inform this Committee of the following:

1. The Government stated in its reply CEDB(CIT)010 to the Legislative Council's examination of estimates 2019-20 that, the provision for 2019-20 was \$387.9 million higher than the revised estimate for 2018-19 due to: (1) the funding of \$350 million to establish the Travel Industry Authority (TIA), and (2) the additional provision of \$26.8 million to continue to implement the "Development Blueprint for Hong Kong's Tourism Industry" (the Development Blueprint). The revised estimate for 2019-20 would be \$372.4 million after deducting the \$350 million for establishing the TIA. In comparison, the provision for 2020-21 is \$465 million, 24.87% higher than that of 2019-20. What are the reasons for the increase? Are there any new projects to be implemented? If yes, please list in table form all the projects to be implemented and provide in detail the contents, the amount involved and the expected outcome. If no, what are the reasons?
2. Regarding the Kai Tak Cruise Terminal (KTCT), please list in table form the number of cruise vessels berthed at the KTCT, the number of passengers disembarking from each vessel, the composition of the disembarking passengers (passengers from Hong Kong or the Mainland or passengers from neither Hong Kong nor the Mainland) and the annual total number of passengers in the past 3 financial years.
3. Regarding the KTCT, please list in table form the occupancy rate of shops, the total rental income of the terminal operator and the total amount of rent paid by the operator to the Government in the past 3 financial years.
4. As for organising trade visits to the Greater Bay Area, please list in table form all trade visits to the Greater Bay Area facilitated by the Government in the past 3 financial

years, including the dates, cities visited, number of participants and accompanying officials, as well as the Government commitment.

- Regarding the commissioning of the consultancy study on smart tourism development, what are the amount involved and the details?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 4)

Reply:

- In programme (6), provision for 2020–21 is \$257.4 million (35.6%) lower than the revised estimate for 2019–20. This is mainly due to the lapse of non-recurrent funding for setting up the Travel Industry Authority (\$350 million in 2019-20 revised estimate) and partly offset by increased provision (\$92.6 million) for the operating expenses. The increased provision for the operating expenses in 2020-21 will be mainly used to continue the implementation of the on-going initiatives under the “Development Blueprint for Hong Kong’s Tourism Industry”, to cater for the creation of new posts, the impact of pay rise and other operating expenses.
- The number of ship calls at Kai Tak Cruise Terminal (KTCT) in the past 3 years is tabulated below –

Year	Number of ship calls	Cruise passenger throughput
2017	186	784 073
2018	170	815 461
2019	175	847 071

As the number of passengers and the nationality mix of each cruise vessel involves commercially sensitive information of cruise lines, we cannot disclose the relevant information. As far as KTCT is concerned, the split of nationality of cruise passengers in respect of local residents, Mainland visitors and overseas visitors is around 41%, 32% and 27% respectively in 2019.

- The usage situations of the ancillary commercial areas of KTCT in the past 3 years are tabulated below-

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

Note: one merchant has ceased operation due to its own operational issues.

KTCT is operated by a terminal operator under commercial principles, and any surplus and deficit are borne by the terminal operator. According to the tenancy agreement between the Government and the terminal operator, the terminal operator is required to pay to the Government a monthly fixed rental fee. In addition, the terminal operator is required to pay a variable rent which is set as designated percentages of the terminal operator's gross receipts. As the rental income of the terminal operator and the amount of rent paid by the terminal operator to the Government involves commercially sensitive information, we cannot disclose the relevant information.

4. The Government has supported the Travel Industry Council of Hong Kong (TIC), with funding of \$500 million in total from the 2018-19 and 2019-20 Budgets, in arranging visits for Hong Kong travel trade to different cities of the Greater Bay Area, etc. to strengthen co-operation with the trade therein and explore related business opportunities. As at end February 2020, the TIC organised 3 visits covering all Greater Bay Area cities other than Hong Kong from mid-2018 to early 2019, as well as 1 visit to Hengqin, Zhuhai in early 2020. The number of tour participants of the 4 visits was about 380 in total. The number of Government officials per visit was 1 to 2.
5. We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The relevant consultancy fee is around \$3 million. The study is anticipated to be completed within 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)076

(Question Serial No. 6118)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme (2), please advise this Committee of the following:

1. tabulate the details of the work on the Belt and Road Initiative led and co-ordinated by the Government in the past 3 financial years, including the project title, country where the project is located, project type (e.g. railway, power plant, highway, etc.), total project cost, expected benefits to Hong Kong, process participated by Hong Kong (e.g. legal, accounting, engineering, architectural, etc.) and expected project commencement and completion dates;
2. tabulate the measures for supporting further development of wine-related businesses in Hong Kong in the past 3 financial years, including the name of measure, its effectiveness, expenditure (if any) and anticipated/actual benefits;
3. tabulate the details of the business and professional missions to Belt and Road related countries and regions organised or participated by the Government in the past 3 financial years, including the date of visit, city and country visited, number of delegation members (please set out the number of members from each profession), purpose of visit, government expenditure incurred (including expenses on air ticket, hotel accommodation and others);
4. set out the details of participation in the Asia-Pacific Economic Cooperation in the past 3 financial years;
5. tabulate all free trade agreements/investment promotion and protection agreements under negotiation, their progress, target date for completion of negotiation, expected agreement signing and effective dates, and economic benefits brought to Hong Kong;

6. tabulate all measures for fostering co-operation between Hong Kong and Taiwan on trade, investment and tourism fronts, including the name of measure, expenditure involved and expected benefits to Hong Kong;
7. tabulate the new convention and exhibition facilities under planning, including the location, expected scale, progress, expected works commencement and completion dates, expected commission date and estimated expenditure.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 1)

Reply:

In the past three financial years, the Belt and Road Office (BRO) had been implementing programmes and measures, and in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative (B&RI) for enterprises and the professional services sector in Hong Kong. The BRO however had not been involved in the specific works of B&RI projects. As for business and professional missions which the BRO organised during the past three financial years, they sought to foster stronger ties and open up the potential for collaboration with local businesses thereat. The details are set out at the table below. Besides, staff of the BRO participated in visits to such places including Belarus, Myanmar, Vietnam, and Thailand. The manpower resources and operational expenses related to taking forward the above mentioned work had been subsumed under the actual expenditure and anticipated overall expenditure of the BRO for the relevant years, and cannot be quantified separately –

Date and Place of visits	Professional services sector joining the visits	Number of delegates joining the visits *
19-23 March 2018 Cambodia and Vietnam	commerce and industry, accounting, finance and investment, legal and dispute resolution services, infrastructure and construction-related services, transport and logistics, and start-ups, etc.	49
18-22 March 2019 Georgia and Hungary	commerce and industry, accounting, finance and investment, insurance and risk management, legal and dispute resolution services, infrastructure and construction-related services, transport and logistics, technology and telecommunications services, and start-ups, etc.	34

Date and Place of visits	Professional services sector joining the visits	Number of delegates joining the visits *
9-18 June 2019 Spain, Serbia and United Arab Emirates #	commerce and industry, accounting, finance and investment, legal and dispute resolution services, infrastructure and construction-related services, transport and logistics, and start-ups, etc.	38 (Hong Kong delegates only)
25-29 November 2019 Malaysia and Thailand	commerce and industry, accounting, finance and investment, insurance and risk management, legal and dispute resolution services, infrastructure and construction-related services, energy and environmental services, transport and logistics, technology and telecommunications services, cultural and creative industries, and start-ups, etc.	52

* Including HKSAR Government officials

A joint mission in conjunction with the Ministry of Commerce comprising Hong Kong and Mainland enterprises and professional services sector for “going global” en bloc

The Government exempted the wine duty in 2008, with a view to unleashing the potential of wine-related businesses and benefitting the economy. Hong Kong has since then become a regional wine trading and distribution hub. In 2019, Hong Kong was the largest wine auction centre in the world. In the same year, Hong Kong’s wine import amounted to about \$8.8 billion, while wine re-export amounted to about \$1.5 billion. To support the further development of wine-related businesses in Hong Kong, a number of measures were implemented in the past three financial years as follows –

- Regarding trade and investment promotion, the Commerce, Industry and Tourism Branch co-ordinated the work of relevant agencies, including the organisation and promotion of wine-related flagship events. For instance, subvention was provided to the Hong Kong Trade Development Council (HKTDC) and the Hong Kong Tourism Board (HKTB) for organising the Hong Kong International Wine & Spirits Fair and Hong Kong Wine and Dine Festival respectively. HKTDC, HKSAR Government’s Offices in the Mainland and its overseas Economic and Trade Offices assisted the industry in exploring potential markets not only in the Mainland, but also those in the region. We also provided support for the Hong Kong Quality Assurance Agency to promote its wine registration and wine storage certification schemes in the Mainland, so as to underline Hong Kong traders’ reputation;
- Regarding clearance facilitation, the customs facilitation measures for wine entering the Mainland through Hong Kong was enhanced in 2017, with its scope expanded to cover all customs districts of the Mainland. The measures enable wine consignments to obtain instant customs clearance on arrival at Mainland ports. The Customs and

Excise Department exchanged views with the industry and strengthened promotion of the relevant measures through briefings; and

- Regarding education and manpower training, apart from courses run by different institutes, we encouraged the industry and training bodies to collaborate with trading partners in launching other wine-related courses to meet the industry's needs. For instance, on the basis of the Memorandum of Understanding on co-operation in wine-related education and manpower training between Hong Kong and Bordeaux, an exchange programme was held for the first time in September 2019, with scholarship support from the industry, for students from local tertiary institutions to attend trainings and internships in Bordeaux.

The above measures for supporting the development of wine-related businesses were carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Hong Kong, under the name of "Hong Kong, China", participates actively in the work of the Asia-Pacific Economic Cooperation (APEC) to foster greater regional co-operation in the Asia-Pacific region. In particular, the Trade and Industry Department is responsible for coordinating Hong Kong's participation in various APEC activities. In 2017-18 to 2019-20, the HKSAR Government sent delegations to participate in the Economic Leaders' Meetings, Ministerial Meetings and Senior Officials' Meetings hosted by different economies. At the same time, by capitalising on the platform of APEC meetings, we conducted bilateral meetings with other member economies to strengthen trade and economic cooperation. The HKSAR Government also participated in the activities of various committees and working groups under APEC to substantially promote work programmes such as trade and investment liberalisation and facilitation.

Forging free trade agreements (FTAs) with trading partners will not only enable Hong Kong's goods, services and investments to access such markets under more favourable conditions, but also help enterprises diversify markets and enhance Hong Kong's participation in regional economic integration. Hong Kong is now exploring having FTAs with Thailand and the Pacific Alliance¹ respectively and plans to seek accession to the Regional Comprehensive Economic Partnership (RCEP)² after it is signed. Hong Kong is also exploring with the United Kingdom options for furthering economic ties, including the possibility of forging an FTA.

Investment protection provided by investment agreements will enhance the confidence of investors of a contracting party investing in the area of the other contracting party, and have a positive impact on enhancing two-way investment flows between the two places. We are now negotiating with Russia and Turkey respectively.

Negotiations are held in confidence. We are not in a position to disclose details of such work at this stage. Details will be announced in due course.

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

- On trade promotion, HKTDC has been actively promoting commerce and trade co-operation and exchanges between Hong Kong and Taiwan, and encouraging Taiwan enterprises to co-operate with Hong Kong companies and leverage on the Hong Kong's services platform to tap overseas and Mainland markets. Also, the Taipei Office of HKTDC often organises various types of promotional activities to provide a networking and exchange platform for enterprises of the two economies, thereby creating opportunities for business co-operation. In 2017-18, 2018-19 and 2019-20, HKTDC's relevant expenditure is around \$6.1 million, \$5.92 million and \$5.87 million respectively.
- On investment promotion, Invest Hong Kong (InvestHK) has been promoting Hong Kong's business advantages in Taiwan. Through the investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan, InvestHK has been reaching out to a wide spectrum of Taiwan companies so as to encourage them to leverage on the business advantages of Hong Kong to expand their regional operations. In 2017-18, 2018-19 and 2019-20, InvestHK's expenditure on investment promotion work in Taiwan is around HK\$0.4 million, \$0.45 million and \$0.47 million respectively (not including staff costs or other general expenses funded under Head 144).
- On tourism, Taiwan continues to be Hong Kong's second largest source market. HKTB has paid its marketing efforts targeted at the young segment in Taiwan and focus on attracting repeat visitors. The revised estimate of the HKTB for the marketing programmes in the Taiwan market in 2017-18, 2018-19 and 2019-20 is around \$12.1 million, \$19.3 million and \$7 million respectively.

In order to reinforce the competitive advantages of the Convention and Exhibition (C&E) industry of Hong Kong, we are actively proceeding with the redevelopment of the sites of the three government towers in Wan Chai North and the Kong Wan Fire Station into C&E facilities, hotel and office premises. We are planning and constructing as planned a number of new government buildings in various districts to relocate the government departments and law courts concerned. The sites are expected to be vacated by 2026 at the earliest for demolition and redevelopment. On the redevelopment, we are working in full steam on technical assessments and design, and will consult stakeholders and conduct town planning procedures as soon as possible.

In addition, the Airport Authority (AA) conducted a consultancy study on the Phase Two expansion of AsiaWorld-Expo and is reviewing the study result. The Government will discuss with AA the expansion plan.

Note:

¹ The member states of Pacific Alliance are Chile, Colombia, Mexico and Peru.

² 15 economies, i.e. the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and five of ASEAN's FTA partners (Australia, Mainland China, Japan, Korea, and New Zealand), have concluded text-based negotiation of RCEP, and plan to sign the agreement in 2020.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6119)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme (4), would the Government inform this Committee of:

1. in each of the past 3 financial years, the numbers of reports received, undercover operations conducted, prosecutions made, convictions handed down and the amount of fines for the 5 types of unfair trade practices (including aggressive commercial practices, bait advertising, bait and switch, misleading omissions and wrongly accepting payment) under the Trade Descriptions Ordinance amended in 2012;
2. details of the project to reprovision the Hongkong Post's Headquarters (HKP HQs), including its progress; the expected demolition date of the existing HKP HQs; the site, the expected project commencement date, project completion date and opening date of the new HKP HQs; and the estimated expenditure for the entire project; and
3. details of the project to redevelop the Hongkong Post's Air Mail Centre (AMC), including its progress; the expected demolition date of the existing AMC; the site, the expected project commencement date, project completion date and opening date of the new AMC; the estimated expenditure for the entire project; and redevelopment plans, including how to handle air mail during redevelopment?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 3)

Reply:

In the past 3 years, the figures in relation to the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED) against the 5 types of unfair trade practices are as follows:

Offence	Breakdown of figures	2017	2018	2019
Misleading omissions	Number of complaints	213	278	456
	Number of cases investigated	10	5	6
	Number of prosecutions	7	10	6
	Number of convicted companies/individuals	11	7	5
	Amount of fines	\$4,000 to \$30,000	\$3,000 to \$5,000	\$2,000 to \$3,000
	Imprisonment (excluding suspended sentence)	10 weeks' imprisonment	-	-
	Imprisonment (suspended sentence)	3 weeks' imprisonment (suspended for 2 years)	2 months' imprisonment (suspended for 2 years)	-
	Community service order	160 hours to 240 hours	160 hours	80 hours
	Probation order	-	-	12 months
Aggressive commercial practices	Number of complaints	151	312	602
	Number of cases investigated	2	13	21
	Number of prosecutions	2	0	26
	Number of convicted companies/individuals	4	0	6
	Amount of fines	-	-	-
	Imprisonment (excluding suspended sentence)	-	-	3 weeks' imprisonment to 15 months' imprisonment
	Imprisonment (suspended sentence)	-	-	9 months' imprisonment (suspended for 2 years)
Community service order	120 hours to 200 hours	-	90 hours to 120 hours	
Bait advertising	Number of complaints	8	9	18
	Number of cases investigated	1	0	2
	Number of prosecutions	2	0	2
	Number of convicted companies/individuals	1	2	3
	Amount of fines	\$10,000	\$10,000	\$8,000 to \$40,000
	Imprisonment (excluding suspended sentence)	-	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	180 hours	-
Bait and switch	Number of complaints	2	3	7
	Number of cases investigated	0	2	1
	Number of prosecutions	0	3	0

Offence	Breakdown of figures	2017	2018	2019
Bait and switch	Number of convicted companies/individuals	0	2	2
	Amount of fines	-	\$5,000	\$10,000
	Imprisonment (excluding suspended sentence)	-	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	120 hours	80 hours
Wrongly accepting payment	Number of complaints	376	1 195	626
	Number of cases investigated	9	16	4
	Number of prosecutions	2	5	2
	Number of convicted companies/individuals	3	4	2
	Amount of fines	\$48,000	\$24,000 to \$40,000	\$30,000
	Imprisonment (excluding suspended sentence)	6 months' imprisonment	-	-
	Imprisonment (suspended sentence)	-	14 days' imprisonment (suspended for 1 year)	-
Community service order	100 hours	-	80 hours	
Number of undercover operations^		759	337	922

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

The Finance Committee of the Legislative Council (LegCo) approved around \$1.6 billion in 2018 for establishing the new Hongkong Post (HKP) Building in Kowloon Bay. The works, commenced in April 2019, is expected to be completed in the fourth quarter in 2022. HKP's headquarters will be relocated to the new HKP Building in the third quarter in 2023. HKP will continue running the facilities and district-tied postal services in the existing General Post Office Building (GPO Building) until relocation of HKP's headquarters and reprovisioning of district-tied postal facilities in the part of Site 3 to the north of Lung Wo Road. The detailed arrangements for Site 3 of the new Central harbourfront will be announced by relevant departments.

The Government reconfirmed in the 2020-21 Budget that \$5 billion has been set aside for the redevelopment of the Air Mail Centre (AMC) at the Hong Kong International Airport. HKP has completed the preparation work for the redevelopment and plans to seek funding approval from LegCo at the end of this year, when it will present the details of the works plan and schedule. During the redevelopment, HKP will make transitional arrangements, including establishing a temporary airmail handling facility on a small part of the original site, to ensure that airmail handling and services will not be affected.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)078

(Question Serial No. 6120)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of Programme (7), will the Government advise this Committee of the following:

1. The amount of the baseline subvention in 2020-21; for any increase/decrease, what are the reasons and coverages?
2. The 20 key visitor source markets and the numbers and increase rates of travellers to Hong Kong from these 20 markets in the past 3 financial years set out in table form;
3. The Hong Kong Tourism Board (HKTB) will deploy 80% of its total marketing budget to the non-Mainland markets. Regarding this portion of funds, please tabulate the following information with a breakdown by city: (1) percentage share in the total marketing budget, and year-on-year change; (2) actual amount of funds to be deployed and year-on-year change; and (3) scheduled marketing activities and the amount of funds needed;
4. The HKTB will deploy 20% of its total marketing budget to the Mainland market. Regarding this portion of funds, please tabulate the following information with a breakdown by city: (1) percentage share in the total marketing budget, and year-on-year change; (2) actual amount of funds to be deployed and year-on-year change; and (3) scheduled marketing activities and the amount of funds needed;
5. Regarding the exploring and cultivating of potential new visitor source markets, what countries/cities are included and how many resources will be allocated?
6. What are the criteria for defining high value market segments and what countries/cities are included?
7. Were any public relations/marketing consultancy/advertising companies hired for promotion through digital and social media channels in 2019-20? If yes, please set out the information, including the names, contract periods, contract sums and contract contents, of all service providers. What are the provision earmarked for and the details of promotion through digital and social media channels in 2020-21?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 5)

Reply:

The baseline subvention of the Hong Kong Tourism Board (HKTB) in 2020-21 is about \$710 million, which has increased by about 5% (\$37 million) as compared to about \$670 million in 2019-20. The increase is mainly due to increased provision for salary and operational expenses.

HKTB will focus its marketing resources on 20 key markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. Visitor arrivals from these 20 markets over the past three years are as follows:

('000)	2017 (year-on-year comparison)	2018 (year-on-year comparison)	2019 (year-on-year comparison)
The Mainland	44,445 (+3.9%)	51,038 (+14.8%)	43,775 (-14.2%)
<i>Short-haul Markets</i>			
Taiwan	2,011 (-)*	1,925 (-4.3%)	1,539 (-20.1%)
Japan	1,230 (+12.6%)	1,288 (+4.7%)	1,079 (-16.2%)
South Korea	1,488 (+6.8%)	1,421 (-4.5%)	1,043 (-26.7%)
Indonesia	482 (+3.8%)	427 (-11.4%)	376 (-12.0%)
Malaysia	517 (-3.5%)	511 (-1.2%)	393 (-23.1%)
The Philippines	894 (+13.1%)	895 (-)*	876 (-2.1%)
Singapore	628 (-6.9%)	611 (-2.7%)	453 (-25.8%)
Thailand	560 (-5.8%)	572 (+2.0%)	467 (-18.3%)
<i>Long-haul Markets</i>			
The US	1,216 (+0.3%)	1,304 (+7.3%)	1,107 (-15.1%)
Canada	370 (+0.3%)	378 (+2.1%)	318 (-15.7%)
The UK	555 (+0.6%)	573 (+3.1%)	518 (-9.5%)
France	204 (-4.5%)	202 (-1.1%)	178 (-11.9%)
Germany	225 (-0.6%)	227 (+0.7%)	218 (-4.0%)
Australia	568 (-1.4%)	580 (+2.2%)	505 (-12.9%)
<i>New Markets</i>			
India	393 (-18.3%)	387 (-1.6%)	338 (-12.6%)
The Gulf Cooperation Council (GCC) Markets	39 (-22.7%)	39 (+0.8%)	33 (-15.4%)
Russia	148 (+3.8%)	162 (+9.3%)	139 (-14.4%)
The Netherlands	95 (-1.0%)	94 (-1.0%)	85 (-9.2%)
Vietnam	56 (-6.4%)	57 (+2.1%)	44 (-21.8%)

Remark (a): *: Changes less than 0.05%.

Remark (b): Owing to rounding, the total may differ from the sum of the individual figures.

HKTB is devising a detailed work plan in 2020-21 for the proposed additional funding provided by the Government, with a certain part of resources invested in source markets. The following table shows HKTB's proposed budget (yet to include the additional funding) in key source markets in 2020-21. HKTB will allocate more resources in non-Mainland markets and review related marketing resources. Therefore, the marketing budget as set out

below is for reference only. For the latest revised estimates in 2019-20, it has included the additional funding provided to HKTb in the 2019-20 Budget.

(HK\$M)	2019-20 Revised Estimates (including additional funding) (percentage of overall marketing budget)	2020-21 Proposed Budget (yet to include additional funding) (percentage of overall marketing budget)
<i>The Mainland</i>	22.6 (18.7%)	30.0 (19.8%)
<i>Short-haul Markets</i>	61.0 (50.6%)	71.0 (46.8%)
Japan	16.2 (13.4%)	12.0 (7.9%)
Taiwan	6.7 (5.6%)	12.0 (7.9%)
South Korea	9.0 (7.5%)	12.0 (7.9%)
Singapore	3.8 (3.2%)	4.0 (2.6%)
The Philippines	6.0 (5.0%)	8.0 (5.3%)
Malaysia	6.6 (5.5%)	7.0 (4.6%)
Indonesia	6.4 (5.3%)	7.0 (4.6%)
Thailand	6.1 (5.1%)	9.0 (5.9%)
<i>Long-haul Markets</i>	30.4 (25.2%)	39.0 (25.7%)
The US	10.3 (8.5%)	12.0 (7.9%)
Australia	6.2 (5.1%)	8.0 (5.3%)
The UK	5.7 (4.7%)	8.0 (5.3%)
Canada	3.1 (2.6%)	4.0 (2.6%)
Germany	3.6 (3.0%)	4.5 (3.0%)
France	1.5 (1.2%)	2.5 (1.6%)
<i>New Markets</i>	6.5 (5.4%)	11.7 (7.7%)
India	3.3 (2.7%)	7.0 (4.6%)
Russia	1.7 (1.4%)	3.0 (2.0%)
The GCC Markets	1.0 (1.2%)	0.8 (0.5%)
Vietnam	0.3 (0.2%)	0.5 (0.3%)
The Netherlands	0.2 (0.2%)	0.4 (0.3%)
Total Marketing Budget for Source Markets	120.6 (100%)	151.7 (100.0%)

Remark: Owing to rounding, the total may differ from the sum of the individual figures.

After the epidemic subsides, HKTb will work with our trade partners on tactical promotions in short-haul markets to attract visitors to Hong Kong. As it will still take a rather long time for long-haul markets and new markets to recover, HKTb will first focus on public relations and social media marketing initiatives to rebuild tourists' confidence in Hong Kong. Regarding the Mainland market, it will continue to focus on attracting overnight visitors and promotional resources will be allocated mainly to the non-Guangdong areas to promote Hong Kong's unique features and diversified offerings. As for other potential new source markets, HKTb will plan further based on the market situation.

High value market segments refers to visitors with high spending pattern, but not segmented by country or city. HKTB has been actively attracting more high-spending visitors to Hong Kong, business travellers especially MICE visitors, as the per capita visitor spending of MICE visitors is higher. For example, the per capita visitor spending of MICE visitors in 2018 was over \$8,200, which was 24% higher than that of the total overnight arrivals.

HKTB has appointed professional marketing consultancies in 2019-20 to promote digital and social media marketing. Their work include managing different HKTB's social media accounts, such as Facebook, Twitter, Instagram and Weibo etc, devising effective advertising campaigns, handling enquiries from social media fans and followers as well as submitting performance analysis report regularly. Due to the contractual agreement, HKTB cannot disclose the detailed information in the contracts, including the contract amount and duration.

In 2020-21, the HKTB will step up digital marketing effort and tie in with the to-be-launched new branding campaign to rebuild Hong Kong's tourism image. Its key digital marketing strategy encompasses the production of creative contents to arouse consumers' interest in Hong Kong, advertising on websites and social media platforms, and collaboration with different partners, such as popular social media platforms, online travel platforms and key opinion leaders from different aspects, leveraging their extensive reach and influence to promote Hong Kong's diverse tourism experiences to a wider audience.

HKTB's estimated digital marketing promotions budget in 2020-21 is approximately \$140 million, which will be used in the production of creative contents, advertising and collaboration with different partners etc. In view of the evolving development and uncertainty of the COVID-19 outbreak, HKTB will closely monitor the latest situation and make timely adjustment to the strategy. It will also optimise use of the funding for rolling out promotions which meet the market needs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)079

(Question Serial No. 1134)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the past 3 years, what results were achieved by the 3 initiatives, namely the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing and Development Funds and the special concessionary measures under the SME Financing Guarantee Scheme (SFGS)?

2019

	Number of applications approved	Number of applications rejected	Amount of guarantees/ grants approved by the Government (\$ million)	Average and median amounts approved for each application	Number of days taken to handle from submission to acceptance of applications
SME Export Marketing Fund					
The former SME Development Fund					
The former BUD Fund (Organisation Support Programme)					
BUD Fund (Enterprise Support Programme)					

	Number of applications approved	Number of applications rejected	Facility amount for applications approved (\$ billion)	Number of defaulted loans/bad debt cases	Total amount of defaulted loans/bad debts
SFGS					

2018

	Number of applications approved	Number of applications rejected	Amount of guarantees/ grants approved by the Government (\$ million)	Average and median amounts approved for each application	Number of days taken to handle from submission to acceptance of applications
SME Export Marketing Fund					
The former SME Development Fund					
The former BUD Fund (Organisation Support Programme)					
BUD Fund (Enterprise Support Programme)					
	Number of applications approved	Number of applications rejected	Facility amount for applications approved (\$ billion)	Number of defaulted loans/bad debt cases	Total amount of defaulted loans/bad debts
SFGS					

2017

	Number of applications approved	Number of applications rejected	Amount of guarantees/ grants approved by the Government (\$ million)	Average and median amounts approved for each application	Number of days taken to handle from submission to acceptance of applications
SME Export Marketing Fund					

The former SME Development Fund					
The former BUD Fund (Organisation Support Programme)					
BUD Fund (Enterprise Support Programme)					
	Number of applications approved	Number of applications rejected	Facility amount for applications approved (\$ billion)	Number of defaulted loans/bad debt cases	Total amount of defaulted loans/bad debts
SFGS					

For the applications rejected, what were the reasons for their rejection?

During the implementation of the various schemes, what were the views and feedback from the industry? What were the frequently asked questions and views on the schemes?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 1)

Reply:

The Trade and Industry Department (TID) is responsible for administering the SME Export Marketing Fund (EMF), the Trade and Industrial Organisation Support Fund (TSF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to help enterprises explore markets and enhance their overall competitiveness. The HKMC Insurance Limited (HKMCI) provides loan guarantee at a preferential guarantee fee to help relieve the liquidity problem facing small and medium enterprises (SMEs) through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019.

The implementation progress of the above-mentioned loan guarantee and funding schemes in the past 3 years is as follows:

2019

	Number of applications approved	Number of applications rejected	Amount of guarantees/ grants approved by the Government (\$)	Average and median of approved amount per application (\$)	Number of days taken from acceptance of applications to completion of processing
EMF	11 919	2 341	299 million	Average: 25,100 Median: 18,600	Within 30 working days Note 4
TSF ^{Note 1}	33	21	75.1 million	Average: 2.28 million Median: 2.08 million	Within 60 working days Note 5
BUD Fund	736	414	429 million	Average: 0.58 million Median: 0.55 million	Within 60 working days Note 5
	Number of applications approved	Number of applications rejected	Facility amount of applications approved (\$)	Number of net default claims ^{Note 3}	Net default claim amount (\$) ^{Note 3}
SFGS					
80% Guarantee Product	2 734	5	13.772 billion	103	204 million
90% Guarantee Product ^{Note 2}	19	0	39 million	0	0

2018

	Number of applications approved	Number of applications rejected	Amount of guarantees/ grants approved by the Government (\$)	Average and median of approved amount per application (\$)	Number of days taken from acceptance of applications to completion of processing
EMF	9 025	1 939	167.1 million	Average: 18,500 Median: 15,400	Within 30 working days Note 4
The former SME Development Fund Note 1	15	7	34.2 million	Average: \$2.28 million Median: \$2.32 million	Within 60 working days Note 5
The former BUD Fund (Organisation Support Programme) Note 1	14	2	39.3 million	Average: \$2.81 million Median: \$2.88 million	Within 60 working days Note 5
BUD Fund (Enterprise Support Programme)	481	101	218.2 million	Average: \$0.45 million Median: \$0.5 million	Within 60 working days Note 5
	Number of applications approved	Number of applications rejected	Facility amount of applications approved (\$)	Number of net default claims Note 3	Net default claim amount (\$) Note 3
SFGS 80% Guarantee Product	1 714	9	7.277 billion	61	102 million

2017

	Number of applications approved	Number of applications rejected	Amount of guarantees/ grants approved by the Government (\$)	Average and median of approved amount per application (\$)	Number of days taken from acceptance of applications to completion of processing
EMF	8 532	2 272	135.4 million	Average: \$15,900 Median: \$13,000	Within 30 working days ^{Note 4}
The former SME Development Fund ^{Note 1}	13	9	23.4 million	Average: \$1.8 million Median: \$1.59 million	Within 60 working days ^{Note 5}
The former BUD Fund (Organisation Support Programme) ^{Note 1}	12	9	34.1 million	Average: \$2.85 million Median: \$2.8 million	Within 60 working days ^{Note 5}
BUD Fund (Enterprise Support Programme)	343	84	123.1 million	Average: \$0.36 million Median: \$0.5 million	Within 60 working days ^{Note 5}
	Number of applications approved	Number of applications rejected	Facility amount of applications approved (\$)	Number of net default claims ^{Note 3}	Net default claim amount (\$) ^{Note 3}
SFGS					
80% Guarantee Product	1 406	10	5.614 billion	148	250 million

Note 1: The SME Development Fund and the BUD Fund (Organisation Support Programme) were merged to form the Trade and Industrial Organisation Support Fund in October 2018.

Note 2: The 90% Guarantee Product was launched on 16 December 2019.

Note 3: The HKMCI only record the number of default claims and the amount involved. The number of net default claims excludes those default claims with the outstanding amounts fully repaid after submission of the claims by the lending institutions, and default claims withdrawn by the lending institutions of their own volition.

Note 4: All applications could be processed within 30 working days by TID, provided that the applicant has submitted all the required information at the time of application.

Note 5: All applications could be passed to the Programme Management Committee for consideration within 60 working days after the application deadline in each quarter. Since October 2019, in order to expedite the vetting process, the BUD Fund's Secretariat has been processing applications received thereafter on a continual basis instead of by batches on a quarterly basis. All applications could be processed within 30 working days by the Secretariat, provided that the applicant has submitted all the required information at the time of application.

The main reasons of rejecting applications under the various funding and loan guarantee schemes are as below :

EMF:	<ul style="list-style-type: none"> ➤ applicant enterprises participated in activities which fall outside the funding scope.
TSF:	<ul style="list-style-type: none"> ➤ applicant organisations could not illustrate that the proposed projects could enhance the competitiveness of enterprises ➤ the proposed projects were not clear or the implementation plans lacked concrete details
BUD Fund:	<ul style="list-style-type: none"> ➤ applicant enterprises could not illustrate how the project measures could assist their business development in the Mainland/ASEAN markets ➤ applicant enterprises failed to meet the eligibility criteria or could not demonstrate their capability in implementing the projects effectively ➤ the proposals lacked concrete details
SFGS:	<ul style="list-style-type: none"> ➤ applicants' failure to meet the eligibility criteria ➤ poor repayment capability, poor financial performance and repayment record of applicants ➤ applicants were involved in litigation with significant financial impact

The Government reviews the operation and effectiveness of the various funding and loan guarantee schemes from time to time, including conducting surveys on funded enterprises and organisations, with a view to ensuring that appropriate support can be provided to enterprises. The trade generally is of the view that the schemes can provide concrete support to enterprises for developing their businesses and enhancing competitiveness. In response to the trade's opinion over the complexity of the funding schemes' application procedures, the Government has simplified the procedures, and consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)080

(Question Serial No. 1135)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the cruise passenger throughput, background of passengers (local residents, Mainland visitors, overseas visitors, etc.) and the number of ship calls in each of the past 3 years by immigration control point (Kai Tak Cruise Terminal, Ocean Terminal and other berthing facilities).

Is there any statistics on the average spending and length of stay (in hours) of cruise passengers in Hong Kong?

As a high-end travel market, how is the development of the local cruise industry? How many people are engaged in the industry approximately?

In light of the setbacks resulting from social incidents and epidemic, will the initiative "to promote the development of cruise tourism" mentioned in page 300 be adjusted? What are the specific contents and amount incurred? Will the indicators reviewing the effectiveness of the initiative be adjusted accordingly?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 2)

Reply:

The number of ship calls and cruise passenger throughput by immigration control points in the past 3 years are tabulated as follows:

	Kai Tak Cruise Terminal	Ocean Terminal and other berthing facilities	Total
2017			
No of ship calls	186	59	245
Overseas visitors	244,445	75,600	320,045
Mainland visitors	181,853	26,133	207,986
Hong Kong residents	357,775	17,278	375,053
Total passenger throughput	784,073	119,011	903,084
2018			
No of ship calls	170	41	210[#]
Overseas visitors	261,679	43,919	305,598
Mainland visitors	206,951	8,838	215,789
Hong Kong residents	346,831	6,994	353,825
Total passenger throughput	815,461	59,751	875,212
2019			
No of ship calls	175	43	218
Overseas visitors	231,060	49,817	280,877
Mainland visitors	269,363	3,649	273,012
Hong Kong residents	346,648	2,523	349,171
Total passenger throughput	847,071	55,989	903,060

including a cruise ship that berthed at both Kai Tak Cruise Terminal and Ocean Terminal on the same day on 9 July 2018.

The per capita spending and average length of stay of cruise visitors in the past 3 years are tabulated as follows:

Year	Average length of stay (overnight visitors)		Per capita spending	
	Non-transit cruise visitors	Transit cruise visitors	Non-transit cruise visitors	Transit cruise visitors
2017	2.3 nights	1 night	\$3,897	\$1,359
2018	2.8 nights	1 night	\$4,033	\$1,029
2019	Not yet available			

There has been a steady growth of cruise tourism figures in Hong Kong. During the six-year period since the commissioning of Kai Tak Cruise Terminal from 2013-2019, the number of ship calls went up from 89 to 218 in 2019 (an increase of 145%) and the passenger throughput increased from about 200,000 to over 900,000 (an increase of 373%). In addition, the Tourism Commission had conducted a mid-term assessment on the

economic contributions brought by the cruise industry in Hong Kong. The result shows that the value added contributions brought by the cruise industry in Hong Kong in 2018 is estimated to be at \$1.736 billion, which has met the Government's estimate in 2008 when the construction of the KTCT was under consideration, and has achieved the then projected range of \$1.5 billion to \$2.6 billion per annum by 2023. We do not have details on the number of employees in the trade.

Subsequent to the blow dealt by the social events to the Hong Kong cruise tourism, the COVID-19 outbreak has also hard hit the cruise tourism industry of the world as a whole. Hong Kong Tourism Board (HKTB) will closely monitor market development. Having taken into account multiple factors, including the COVID-19 outbreak in Hong Kong and other source markets, the operational arrangements of cruise terminals in the region, and cruise lines' plans to resume itineraries in Asia, etc, HKTB will roll out promotions tailored for the specific circumstances of different markets to restore consumer confidence for cruise tourism. At the same time, we will also strengthen support to the trade in attracting cruise lines to deploy ship calls to Hong Kong and step up our partnership with cruise lines for promotions in Hong Kong and various source markets. Moreover, we will actively cultivate new visitor segments to drive the recovery of cruise tourism.

The total budget for HKTB's head and worldwide offices on cruise tourism in 2020-21 is around HK\$36 million, which includes HKTB's proposed marketing budget and relevant additional funding. HKTB will set different indicators for evaluating the effectiveness of its work based on the nature of the promotions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)081

(Question Serial No. 1145)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

A) Regarding the social incidents which took place in Hong Kong last year, please give details of the explanation work done by each of the Hong Kong Economic and Trade Offices ("ETOs"), such as meeting local governments, media and industrial or commercial organisations to clarify inaccurate information and explain the Government's stance and actions.

B) What are the expenditures for the extra work of ETOs arising from the social incidents?

C) Has the Government prepared information notes and papers on our constitution and issued them to ETOs to explain the social and major incidents in Hong Kong to foreign countries?

D) Has the Government set objectives and instructed ETOs on the organisations and people to contact for explaining Hong Kong's recent social incidents and the development of the epidemic?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 15)

Reply:

Regarding the social incidents in Hong Kong in the second half of 2019, HKSAR Government, through the overseas Hong Kong Economic and Trade Offices (ETOs), actively explained the Hong Kong situation to overseas governments, political leaders, the business community and others to provide them with a more comprehensive understanding. The ETOs proactively provided information updates to various sectors and explained to them the latest situation of Hong Kong through meetings, emails, social media, etc., so as to clear up the misunderstandings held by some people and mitigate the negative impacts of the incidents on the international image of Hong Kong. The ETOs also maintained close

contact with the local Hong Kong communities and took the opportunity to attend various activities to explain the situation of Hong Kong to all sectors of local communities, reiterating that the HKSAR Government spared no effort in implementing “one country, two systems” and safeguarding the rule of law, the business environment and other core values of Hong Kong, and appealing to them to remain confident in Hong Kong and should continue to support its development. In response to the COVID-19 outbreak, the ETOs have been in close contacts with the relevant bureaux/departments, such as the Information Services Department regularly disseminating updated information to the ETOs, which allowed the ETOs to have a complete picture of the situation in Hong Kong and explain to various sectors the measures undertaken by the HKSAR Government in response to the latest development of the pandemic. The ETOs will continue to monitor closely the local situation and formulate responsive measures together with the relevant bureaux/department. As the relevant work is part of the overall public relations work of the ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)082

(Question Serial No. 1149)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- A) In response to the trade protection measures adopted by the United States (US) and its policy on Hong Kong, what measures has the Hong Kong Economic and Trade Office in New York (HKETONY) put in place and what work has it conducted towards the US political and business sectors and other groups?
- B) How many meetings has HKETONY held with political officials?
- C) How many times did it report the information collected to the SAR Government in the past year?
- D) Regarding business and trade related to the US, how many Hong Kong enterprises have sought help from Economic and Trade Offices (ETOs)? What is the number of cases where the ETOs have provided assistance to Hong Kong enterprises?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 22)

Reply:

The Hong Kong Economic and Trade Office in New York (NYETO) is responsible for promoting economic and trade interests of Hong Kong, and strengthening ties and networks between Hong Kong and 31 eastern states of the United States (US). We have been closely monitoring local government policies and measures that may affect Hong Kong, including protective trade measures against Mainland China as well as economic and trade policies targeting Hong Kong. We have been maintaining close liaison with all sectors in the eastern states through various channels so as to assess the impact of the policies concerned on our bilateral relations. Meanwhile, we have also been promoting the unique advantages and opportunities of Hong Kong under the "one country, two systems" principle, as well as the mutually beneficial partnership between Hong Kong and the US, so as to

facilitate our continuous trade and economic exchanges and collaborations, thereby minimising the impact brought by adverse policies.

Over the past year, NYETO maintained close liaison with the political sector (including state, city and local government officials), business community, media and think-tanks in the eastern US through duty visits, meetings (among which, there were over 50 courtesy calls on Government officials). At these meetings, NYETO emphasised that the HKSAR Government had spared no effort in implementing “one country, two systems”, following free trade and economic policy, and safeguarding the core values of Hong Kong and elucidated the latest and actual situation in Hong Kong. NYETO also took the opportunity to take part in various local events to understand the latest economic and trade exchanges between Hong Kong and the states and to update them on the latest developments and opportunities in Hong Kong, so as to encourage more local companies to expand their businesses to China and other Asian countries by making use of the unique advantages of Hong Kong.

Meanwhile, NYETO actively promoted high-level official exchanges to strengthen bilateral ties and commercial relations. The Financial Secretary and the Secretary for Commerce and Economic Development (SCED) visited New York in October and June 2019 respectively and met with the business sector in New York. They updated the sector on the latest economic developments in Hong Kong and promoted the important roles of Hong Kong as an international business hub and the gateway to the Belt and Road Initiative (BRI) and Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development.

NYETO also facilitated mutual visits and exchanges by institutions from different sectors in Hong Kong and the US. Among them, we assisted the National Committee on US-China Relations in arranging a visit to Hong Kong by representatives of the US China Working Group of the US House of Representatives in March 2019. During the visit, the Chief Executive, the Secretary for Justice and SCED met with the delegation and briefed them on the latest developments of Hong Kong. On the other hand, we coordinated a series of events for representatives and organisations from the Hong Kong innovation and technology sector at the BIO International Convention held in Philadelphia in June 2019 to promote Hong Kong’s latest developments and opportunities in innovation and technology.

In collaboration with Invest Hong Kong, the Hong Kong Trade Development Council as well as local chambers of commerce and business organisations, NYETO from time to time organise seminars and other activities in different cities to brief the local enterprises on business opportunities for the US companies brought about by the BRI and the GBA developments, and encourage them to capitalise on the unique advantages of Hong Kong to tap into the Mainland and other Asian markets.

NYETO also maintains close liaison with people from different sectors via different channels such as social media (e.g. its Facebook and Instagram pages “Hong Kong Meets America”) and the weekly electronic newsletter. Aside from providing the latest news of Hong Kong, the ETO also emphasises that the social and economic fundamentals of Hong Kong remained strong and the city would continue its roles as an international metropolis and commercial centre.

NYETO serves as a bridge of communication between Hong Kong and the 31 eastern states in its role as the official representation of the HKSAR Government in the region. The ETO has been maintaining close communication with relevant bureaux and departments in Hong Kong, including reporting relevant trade and Hong Kong related policies of the US and their impact on our bilateral relations, so as to assist in the formulation and implementation of appropriate measures in promoting our economic and trade cooperation as well as strengthening our bilateral ties.

Regarding the number of requests for assistance from Hong Kong enterprises, NYETO has maintained close liaison with Hong Kong enterprises in the US and has endeavoured to provide practical assistance and support to enterprises in need. We have not received any request for assistance from Hong Kong enterprises in the past year.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)083

(Question Serial No. 1093)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the in-depth green tourism and brand new tourism projects launched on a pilot basis, will the Government inform this Committee of:

1. the tourism projects and initiatives implemented by the Bureau as well as the staff establishment and expenditure involved (in table form) over the past three years;
2. the details and expenditures, staff establishment and number of participants regarding the Yim Tin Tsai Arts Festival organized as a pilot scheme at Yim Tin Tsai, Sai Kung. How does the Government assess the effectiveness of the Festival?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 1)

Reply:

In order to promote green tourism, the Government has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points, enrichment of visitor information and stepping up cleansing services, etc. The Government will enhance the supporting facilities of Dragon's Back (Shek O Country Park), Peak Trail (Pokfulam Country Park), Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Improvement works have commenced. The first phase which covers MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo has largely been completed. The Agriculture, Fisheries and Conservation Department (AFCD) also launched the enhanced thematic website in December 2019 to provide detailed information on hiking trails and green attractions to enrich visitors' experience. The enhancement works of the second phase which include Dragon's Back, Shing Mun Reservoir Walk and Lantau Trail Section 2 are being implemented and expected to be completed in the fourth quarter of 2020 to tie in with the hiking season.

The Government is also improving the facilities of the Ngong Ping Nature Centre to provide visitors with more comprehensive information on the nearby hiking trails. The renovated centre, which will enhance the provision of hiking information with interactive elements and guided tour service, is expected to be reopened in 2020. The estimated project expenditure from 2019-20 to 2022-23 is around \$7.35 million. The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving some sections of the Nei Lak Shan Country Trail and Lantau Trail, enhancing visitor signages, as well as expanding and constructing viewing platforms. The enhancement of visitor signages and part of the improvement works on hiking trail sections have already been completed in 2019, while the remaining works are expected to be completed by phases from 2020 to 2022 with an estimated expenditure of around \$15 million.

Moreover, AFCD has commenced a consultancy study in November 2019 to review the exhibition and visitor facilities of the Hong Kong Wetland Park (HKWP). Preliminary findings of the consultancy study are expected to be ready in the second quarter of 2020 at an estimated expenditure of \$5 million. Subject to the findings of the study, AFCD will seek the necessary funding to enhance the facilities of HKWP.

Since 2009, the Hong Kong Tourism Board (HKTb) has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform between November and March each year, covering the Hong Kong UNESCO Global Geopark, hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations.

HKTb also launched the Pilot Scheme to Promote In-depth Green Tourism (the Scheme) from January 2018 to March 2019 which aimed to provide subsidy for the travel trade to develop in-depth green tourism products. A total of five green tourism products were subsidised under the Scheme with a total expenditure of around \$4.5 million.

In 2018, the Tourism Commission invited the Hong Kong Ocean Park, in collaboration with AFCD, World Wide Fund-Hong Kong and Ngong Ping 360, to take a lead in developing and implementing a Study Excursion Programme (the Programme) covering eco and cultural attractions in Hong Kong. The Programme has been rolled out in Japan in late 2018 and is progressively being promoted to nearby regions.

The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau, the relevant departments and HKTb, which can hardly be quantified separately.

Since 2019, the Government has launched the "Yim Tin Tsai Arts Festival", which is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung. Through collaboration amongst local artists, youngsters and Yim Tin Tsai villagers, the Arts Festival has turned Yim Tin Tsai into an "open museum", bringing a new and unique travel experience integrating arts, religion, culture, heritage and green elements to visitors. In early 2019, through open tender, the Government awarded a three-year contract at a price of \$20 million to a suitable curatorial organisation. The actual total expenses incurred will be confirmed upon the completion of the three-year project.

The first event "Yim Tin Tsai Arts Festival 2019" was held from 30 November to 29 December 2019. Seventeen groups of artworks created by local artists and youngsters were displayed at Yim Tin Tsai and Sai Kung Waterfront Park, and a series of interactive activities including cultural ecology guided tours, salt-making and Hakka teacake-making workshops, themed talks, musical performances, etc. were organised. During the event period, the number of visitors and participants of related activities in Yim Tin Tsai was over 22,000, whereas the number of visitors to Visitor Centre cum Exhibition Hall and participants of activities in Sai Kung Town was over 39,000. After the first event, some of the artworks showcased have become permanent exhibits for visitors' appreciation. The first event was well received. The Government is working with the curatorial organisation to prepare for the implementation of the second and the third events in 2020 and 2021 respectively.

The staffing for the above project is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)084****(Question Serial No. 1907)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To help Hong Kong's tourism industry, the Government said that it would support the Ocean Park Corporation in promoting education tourism and staging a new 3D project-cum-water light show. In this connection, please inform this Committee of:

- (a) the government expenditure involved in the projects concerned;
- (b) the number of attendances brought in by the projects to the Ocean Park and the revenue generated; and
- (c) whether the Government has assessed the specific impact of the enhancement of the Ocean Park's competitiveness on the tourism industry.

Asked by: Hon LAU Kwok-fan (LegCo internal reference no.: 35)

Reply:

We announced in the 2018-19 Budget that a total of \$310 million would be allocated to support the Ocean Park in developing education tourism projects and staging a new 3D projection-cum-water light show with local elements. These two items are time-limited measures to be implemented in 5 years (2018-19 to 2022-23). The annual expenditure is as follows –

Financial Year	2018-19 Actual Expenditure (\$ million)	2019-20 Actual Expenditure (\$ million)	2020-21 Estimated Expenditure (\$ million)	2021-22 Estimated Expenditure (\$ million)	2022-23 Estimated Expenditure (\$ million)
Expenditure	26.3	61.8	103.2	89.2	29.5

The Ocean Park is an important tourist attraction in Hong Kong. Having considered its substantial experience in launching conservation-cum-edutainment programmes, we believe allocating funds to the Park to promote education tourism in the form of partnership would be beneficial to the tourism and economic development and strengthen Hong Kong's position as a premier destination for family visitors, and tie in with our policy objective of attracting high-yield overnight visitors.

The Ocean Park Corporation (OPC) has formulated projections on the yearly attendance and revenue of various education tourism items and the light show to assist in the assessment of the effectiveness of the projects. As the audience of the light show overlaps with the visitors of the Ocean Park, the attendance brought by the projects to the Ocean Park and the revenue generated can hardly be quantified separately. For the education programmes, excluding those programmes launched outside the park (such as shopping malls and schools) and free of charge, the projected attendance and revenue are about 170,000 and \$66.7 million respectively in 2020-21. Nonetheless, the projections were made in 2018, which did not take into account the impact of the COVID-19 outbreak. OPC would need to update the projections taking into account the pandemic and the pace of the global economic recovery.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)085

(Question Serial No. 1917)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please advise this committee on whether the Government has assessed how soon the tourism industry will recover when the novel coronavirus epidemic is over. Will it recover more slowly when compared with SARS in 2003? If so, of the reasons; if not, the reasons for that. It is mentioned in the Budget that an amount of over \$700 million will be allocated for the Hong Kong Tourism Board to step up promotion after the epidemic. The provision has increased by more than one fold over the last year. Has the Government assessed the effectiveness of the provision on the revival of the tourism industry? In what quarter will it start to bear fruit at the soonest?
- (b) Due to the outbreak of the novel coronavirus, various service industries in Hong Kong have been severely hit. The waves of business closure in the food and beverage as well as hotel industries have not yet come to an end. Has the Government assessed whether the local service sector will revive at the same time with the tourism industry after the epidemic?

Asked by: Hon LAU Kwok-fan (LegCo internal reference no.: 45)

Reply:

The Hong Kong Tourism Board (HKTB) expects the tourism industry to recover in a slower pace this time as compared to SARS in 2003, the main reason being that SARS outbreak in 2003 was mainly in Hong Kong, and Hong Kong tourism experienced a strong rebound following the implementation of the Individual Visit Scheme for Mainland travellers after the SARS outbreak. However, the current COVID-19 outbreak, not only affects the tourism industry of Hong Kong but also that of other Asian regions and even the world at large. HKTB foresees intense regional competition among Asian destinations when the epidemic subsides and tourism activities resume.

The Government has proposed to provide additional funding of HK\$791 million to HKTB in 2020-21. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
<p>1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image</p> <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

The related plans will be rolled out as soon as possible, contingent upon the abatement of COVID-19 outbreak in Hong Kong and key source markets, as well as the resumption of normal airline services between Hong Kong and other places.

HKTB believes that the first step to bring back visitors to Hong Kong is to restore the local market and consumer confidence, which will then send a positive message to consumers in the visitor source markets and restore their confidence in Hong Kong tourism. Therefore, HKTB has set the strategic direction to launch initiatives to stimulate local spending in collaboration with various sectors including retail once the epidemic subsides, and

encourage the participation of Hong Kong people and expatriates in the city, with a view to benefiting various sectors and speeding up their recovery.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)086

(Question Serial No. 1205)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the subsidising of manufacturers to establish local mask production lines under the Anti-epidemic Fund, please provide information on the following: the number of applications that have been received from manufacturers so far; the number of production lines involved; the number of masks that are expected to be produced each day; and the number of applications that have been approved.

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 35)

Reply:

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

As of 26 March 2020, the Hong Kong Productivity Council (HKPC) has received a total of 103 applications. Among them, 7 applications (involving 8 production lines) have been approved, with each production line expected to produce 800 000 to 2.25 million masks each month. 4 applications (involving 5 production lines), after verification, have been confirmed to have met all eligibility criteria of the Scheme; the eligibility of 23 applications (involving 33 production lines) is being verified by HKPC through document check and on-site inspection; and the remaining 69 applications have yet to meet all eligibility criteria. Having reviewed the information provided in the applications received, the Government estimated that the number of potentially eligible production lines would very likely have exceeded the remaining quota. Therefore, HKPC has stopped receiving applications from 27 March 2020.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)087****(Question Serial No. 2629)**

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

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

Programme: (9) Subvention: Competition Commission

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee how many cases have been handled by the Competition Commission each year since its establishment? Among them, how many cases have legal proceedings instituted? What was the processing time required for each case with legal proceedings instituted.

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 125)

Reply:

The number of complaints and enquiries received by the Competition Commission ("the Commission") each year since the full commencement of the Competition Ordinance ("the Ordinance") in December 2015 are as follows:

Year	Number of complaints and enquiries
2015 (starting from 14 December 2015)	470
2016	1453
2017	767
2018	756
2019	613
Total	4059

The Commission has brought six cases to the Competition Tribunal ("the Tribunal") so far. Investigations on two of the cases commenced in mid-2016, and their legal proceedings were initiated in 2017, while the Tribunal handed down its judgments in May 2019. Both cases are now at the stage of appeal and waiting for the Tribunal to determine the pecuniary penalty and other appropriate orders

The amount of time and resources required by the Commission to handle each investigation case vary as they hinge on a host of factors, including complexity of the case, type of conduct and the number of parties involved, etc. From the Commission's experience in handling the first few litigation cases, it took two to four months to complete initial assessments (which involved studying in detail the information provided by and following up with the complainant and open source research), and nine to 12 months to complete in-depth investigations (which involved gathering of information and documents from parties concerned, conducting interviews with relevant individuals, searching premises for evidence, legal analysis of evidence and seeking legal advice, etc.).

The Commission is currently working on several more complicated cases. These cases involve more parties, more interviewees, and more documents acquired through search and compulsory investigative powers. More complex legal issues are also involved in some of the cases. Thus, a relatively long handling time is anticipated.

It should also be noted that bringing a case to the Tribunal is not the only enforcement outcome available. For contraventions of the Ordinance of a less serious nature, the Commission has other statutory options such as issuing infringement or warning notices, obtaining commitments from relevant parties or issuing compliance reminders. In such cases, the handling time may be shorter.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)088

(Question Serial No. 2167)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Matters Requiring Special Attention in 2020–21 in the Budget, it is stated that during 2020-21, the Commerce, Industry and Tourism Branch will continue to work with the related industries to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. In this connection, will the Government inform this Committee of the following:

- (1) With the eruption of disturbances arising from the opposition to the proposed legislative amendments since June 2019 and the outbreak of novel coronavirus early this year, the number of inbound visitors has plummeted, and the tourism industry is dealt a heavy blow. Please provide the Tourism Board's latest estimates of expenditures on promotional activities for the first half of this year, with a breakdown by Mainland and non-Mainland visitor source markets?
- (2) Has the Government rolled out any new initiatives to support the development of the tourism industry? If yes, what are the details and expenditures? If no, what are the reasons?
- (3) Please list the revenue of the tourism industry in the past 3 years and the estimated revenue this year.

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 65)

Reply:

The expenditure of the Hong Kong Tourism Board (HKTB) in 2020-21 is estimated on an annual basis. The proposed budget in key source markets (excluding the additional funding) are listed below:

(HK\$M)	2020-21 Proposed Marketing Budget (percentage of overall marketing budget) (not yet included the additional funding)
<i>The Mainland</i>	30.0 (19.8%)
<i>Short-haul Markets</i>	71.0 (46.8%)
Japan	12.0 (7.9%)
Taiwan	12.0 (7.9%)
South Korea	12.0 (7.9%)
Singapore	4.0 (2.6%)
The Philippines	8.0 (5.3%)
Malaysia	7.0 (4.6%)
Indonesia	7.0 (4.6%)
Thailand	9.0 (5.9%)
<i>Long-haul Markets</i>	39.0 (25.7%)
The US	12.0 (7.9%)
Australia	8.0 (5.3%)
The UK	8.0 (5.3%)
Canada	4.0 (2.6%)
Germany	4.5 (3.0%)
France	2.5 (1.6%)
<i>New Markets</i>	11.7 (7.7%)
India	7.0 (4.6%)
Russia	3.0 (2.0%)
The Gulf Cooperation Council (GCC) Markets	0.8 (0.5%)
Vietnam	0.5 (0.3%)
The Netherlands	0.4 (0.3%)
Total Marketing Budget for Source Markets	151.7 (100.0%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

However, in view of the evolving development and uncertainty of the COVID-19 outbreak, HKTB will closely monitor the latest situation and make timely adjustment to the strategy. It will also optimise use of the funding for rolling out promotions which meet the market needs.

The Government has proposed to provide additional funding of HK\$791 million to the HKTB in 2020-21 to step up promotion and revive the tourism industry. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226

Initiatives	Amount (HK\$ million)
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving Meetings, Incentives, Conventions, Exhibitions (MICE) tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

According to the information provided by HKTB, the tourism expenditure associated with inbound tourism in the past three years are listed as below:

	2017	2018	2019 (Provisional figure)
Tourism expenditure associated with inbound tourism (\$ billion)	297.5	328.2	259.8

Since the tourism industry is facing many uncertainties, including the duration and magnitude of COVID-19 outbreak and the performance of global economy etc., the tourism expenditure associated with inbound tourism in 2020 can hardly be estimated at this moment.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)089

(Question Serial No. 2168)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that the Government has introduced an array of policy initiatives to enhance Hong Kong's competitiveness and attractiveness in insurance, legal and dispute resolution services. In this connection, will the Government inform this Committee of the following:

- (1) the expenditure involved in the various policy initiatives in relation to the Belt and Road Initiative in the past 2 years, such as organising a high-level delegation to participate in the Belt and Road Forum for International Cooperation; convening the Joint Conference with the Mainland authorities to follow up on the implementation of the "Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative"; supporting the Hong Kong Trade Development Council in enhancing its Belt and Road Portal into a one-stop Belt and Road platform;
- (2) the estimated expenditure for the policy initiatives in relation to the Belt and Road Initiative this year; and
- (3) the estimated expenditure for continuing to carry out preparatory work for the commencement of operation of the Dubai Economic and Trade Office this year and the amount of funding available?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 66)

Reply:

The Government adopts a whole-government approach in the pursuit of the Belt and Road Initiative (B&RI), with relevant bureaux/departments taking forward related efforts under their respective portfolios. As for the Commerce and Economic Development Bureau, we have been in earnest establishing various platforms with a view to exploring opportunities brought by B&RI for enterprises and the professional services sector in Hong Kong. Such efforts include organising a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing; following up on the implementation of the “Arrangement between the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong’s Full Participation in and Contribution to the Belt and Road Initiative” through convening Belt and Road Joint Conferences with relevant Mainland authorities; co-organising annually the Belt and Road Summit with the Hong Kong Trade Development Council (HKTDC), as well as staging a series of forums, sharing and business matching sessions to facilitate enterprises in capturing Belt and Road (B&R) business opportunities; supporting the HKTDC to enhance its B&R Portal into a more comprehensive and up-to-date one-stop B&R platform, which came into operation in July 2019; organising and participating in a number of business and professional missions to B&R related countries and regions, thereby promoting Hong Kong’s unique strengths; and continuing to strengthen our collaboration with relevant Mainland authorities in areas including capacity building.

For 2018-19 and 2019-20, the Belt and Road Office (BRO) had a total establishment of 19 and 20 respectively, and the actual expenditure and anticipated overall expenditure of the BRO were about \$20.196 million and about \$24.440 million respectively. In 2020-21, the BRO will have a total establishment of 21, and the estimated overall expenditure is about \$39.958 million for the year. The above-mentioned work is being taken forward by the BRO as part of its overall efforts in promoting Hong Kong’s participation in B&RI, and cannot be quantified separately.

Starting from 2019-20, the preparatory work for setting up the new overseas Hong Kong Economic and Trade Offices (ETOs) is taken up by the ETO Policy Division (the Division). The Division is headed by an Administrative Officer Staff Grade C (D2) officer, supported by an Administrative Officer, a Senior Executive Officer and a Personal Secretary I. The Division’s work includes discussing with the respective host governments (including their Consuls Generals in Hong Kong) on the detailed arrangements of setting up the ETOs, seeking approval from the Legislative Council for the creation of the relevant posts and the required funding, etc.

Apart from the preparatory work for setting up the new ETOs, the Division also formulates strategies and plans on expanding the ETO network and enhancing ETOs’ functions, coordinates ETOs’ inputs to requests from various bureaux/departments on matters under their respective policy responsibilities, etc.

The annual recurrent cost (including personal emoluments and other operating expenses) of the Division is around \$5.517 million. As the relevant preparatory work on setting up the Dubai ETO is part of the overall work of the Division, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)090****(Question Serial No. 3669)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Kai Tak Cruise Terminal (KTCT), please inform this Committee of the following:

1. Number of ship calls at the KTCT in the past 3 years, breakdown of the 3 most-frequently berthed cruise vessels and passenger throughput;
2. What efforts has the Government made to draw inbound visitors, especially those joining low-cost tour groups, and shops mainly receiving this type of tour groups to the ancillary commercial areas of the KTCT? Are there any examples demonstrating that such efforts have attained concrete results?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 28)

Reply:

The number of ship calls and the cruise passenger throughput at Kai Tak Cruise Terminal (KTCT) in the past 3 years is tabulated below –

Year	Number of ship calls	Cruise passenger throughput
2017	186	784 073
2018	170	815 461
2019	175	847 071

The breakdown of the 3 most-frequently berthed cruise vessels at the KTCT in the past 3 years is tabulated below-

Year	Name of cruise ships	Number of calls
2017	<i>Genting Dream</i>	88
	<i>Voyager of the Seas</i>	21
	<i>World Dream</i>	14
2018	<i>World Dream</i>	101
	<i>Ovation of the Seas</i>	12
	<i>Voyager of the Seas</i>	6
2019	<i>World Dream</i>	104
	<i>Voyager of the Seas</i>	17
	<i>Westerdam</i>	5

The ancillary commercial areas of KTCT are operated by a terminal operator under commercial principles. As regards the suggestion of drawing some restaurants and shops mainly receiving inbound tour groups to KTCT to continue their business, we are open to this suggestion and have been liaising with relevant stakeholders through meeting with members of local community and arranging site visits, but it all depends on merchants' intention, and it is their own commercial decision. Merchants interested in operating at KTCT are welcome to approach the terminal operator directly to discuss the corresponding commercial arrangements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)091

(Question Serial No. 2880)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Bureau under this programme is to lead and co-ordinate the work on the Belt and Road Initiative, including strategy formulation and implementation of programmes and measures with a view to seeking out Belt and Road related business opportunities.

This year marks the 7th year of the implementation of the Belt and Road Initiative and currently there are over 160 countries and international organisations joining as partners. Under Matters Requiring Special Attention in 2020-21, the Bureau will continue to consolidate Hong Kong's unique advantages as the prime platform and a key link for the Belt and Road Initiative.

Please give an account of the specific work and results with respect to the implementation of programmes and measures including but not limited to forums, joint conferences, exchange meetings, seminars, corporate activities and missions, in particular the support for the small and medium enterprises in 2019-20 and the expenditure and manpower involved. In 2020-21, will there be any specific work plans to continue to consolidate Hong Kong's unique advantages? What will be the expected results and the expenditure and manpower involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 1)

Reply:

The HKSAR Government has been in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative (B&RI) for enterprises and the professional services sector in Hong Kong. In 2019-20, we continued to enhance

related policy efforts, including organising a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing to showcase Hong Kong's unique position as the prime platform and a key link for B&RI. In addition, we continued to maintain direct communication and collaboration with relevant Mainland authorities, and to follow up on the implementation of the "Arrangement between the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative" through convening the Belt and Road Joint Conference and a high-level meeting of the Mainland and Hong Kong Belt and Road Task Group in July and November 2019 respectively. Furthermore, a Policy Exchange and Capacity Building Programme was launched with Mainland authorities in December 2019 to strengthen our collaboration in areas including capacity building.

Further to policy co-ordination efforts, we have been striving to foster strategic partnership and project matching between enterprises (including small and medium-sized enterprises (SMEs)) and professional services sector. Such efforts include co-organising the fourth Belt and Road Summit with the Hong Kong Trade Development Council (HKTDC) on 11 and 12 September 2019; as well as staging a series of "Belt and Road: Hong Kong – IN" forums and sharing sessions, and a seminar on Belt and Road (B&R) trade and investment policies and measures in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce during the year. Participants from the Hong Kong industrial, business and professional services sectors as well as start-ups had in-depth discussions and exchanges with participating Mainland enterprises on B&R related subjects, including on the investment environment of overseas Economic and Trade Co-operation Zones (ETCZs), risk management, financial services and business growth, and partnership opportunities were jointly explored. We also supported the HKTDC to enhance its B&R Portal into a more comprehensive and up-to-date one-stop B&R platform, which came into operation in July 2019. Besides, the Commerce and Economic Development Bureau organised and participated in a number of business and professional missions to B&R related countries and regions, including Spain, Serbia, the United Arab Emirates, Vietnam, Malaysia and Thailand, etc., thereby promoting Hong Kong's unique strengths.

For the coming year, the HKSAR Government will continue to proactively play the role of "facilitator" and "promoter", including undertaking policy co-ordination and capacity building collaboration with relevant Mainland authorities. In addition, we will continue to co-organise with the HKTDC the fifth Belt and Road Summit on 9 and 10 September 2020 to promote business matching and collaboration; organise business and professional mission(s) to B&R related countries and regions to explore opportunities and promote Hong Kong's unique strengths, including a joint mission in conjunction with the Ministry of Commerce comprising Hong Kong and Mainland enterprises and professional services sector for "going global" en bloc; as well as to continue organising a host of business sharing and matching sessions. Steps will also be taken to facilitate and promote interested Hong Kong enterprises (including SMEs) to try out in setting up businesses in the Mainland's overseas ETCZs.

For 2019-20 and 2020-21, the Belt and Road Office (BRO) has a total establishment of 20 and 21 respectively, with the same estimated overall expenditure per annum at about \$39.958 million.

For the past year (i.e. 2019-20), the anticipated overall expenditure of BRO was about \$24.440 million. The related work is being taken forward by the BRO as part of its overall efforts in promoting Hong Kong's participation in B&RI, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)092

(Question Serial No. 2881)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Bureau under this programme is to oversee the policy work related to overseas Economic and Trade Offices (ETOs), including expansion of the ETO network and enhancement of their functions. Under Matters Requiring Special Attention in 2020-21, the Bureau will continue to strengthen policy work related to ETOs, including formulating strategies on expansion of the ETO network and enhancement of their functions. In overseeing the policy work related to ETOs especially when Hong Kong is facing the outbreak of novel coronavirus pneumonia, please give an account of the specific work that helped expand the ETO network and assisted Hong Kong people to combat the virus, including but not limited to sourcing and procuring anti-epidemic supplies in 2019-20 and the expenditure and manpower involved. In 2020-21, will there be any specific plans to strengthen policy work related to ETOs and whether such plans will address the deficiencies revealed in responding to the novel coronavirus outbreak? What will be the expected results and the expenditure and manpower involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 2)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO whose duty is to represent Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews. In view of the COVID-19 outbreak, the ETOs actively disseminate information to various sectors through different channels, including email, social media, etc., and explain to them the HKSAR Government's latest measures in response to the developments of the pandemic. The ETOs also actively seek updates on the measures undertaken by the

respective governments in response to the development of the outbreak, and provide assistance to Hong Kong residents overseas. For example, in the “Diamond Princess” cruise ship incident, the Tokyo ETO, together with the Immigration Department and the Department of Health, has maintained close liaison with the Embassy of the People’s Republic of China in Japan, the Japanese Ministry of Foreign Affairs and the Ministry of Health, Labour and Welfare, the cruise operator, relevant hospitals and land quarantine facilities to render support for affected Hong Kong residents. In addition, the Tokyo ETO assisted relevant departments in arranging chartered flights to bring Hong Kong residents aboard back to Hong Kong, and provided appropriate assistance for Hong Kong residents being hospitalised or quarantined in the relevant hospitals or land quarantine facilities in Japan. In relation to anti-epidemic work, the ETOs, together with Invest Hong Kong and other individuals, actively assisted the Government Logistics Department (GLD) in procuring anti-epidemic equipment, and have connected GLD with over 600 suppliers from over 40 countries/regions. Among the masks procured so far, over 10 million masks had been delivered. The ETOs will, through their network, continue to deploy existing manpower and resources to conduct relevant work, and assist GLD in procuring personal protective equipment in the highly competitive global market.

In 2020-21, the ETOs will keep up with its promotional and liaison work overseas to strengthen Hong Kong’s external economic and trade relations. The ETOs will also maintain close and regular contacts with the local political circle and business sectors to provide them with timely updates on the latest situations in Hong Kong and the Government’s response, and introduce to them the latest positions and advantages of Hong Kong to encourage them to set up business or invest in Hong Kong, bringing stronger overseas support to Hong Kong businesses. We will review regularly the existing strategies of the ETOs in implementing the work goals of the Government, and make adjustments according to the circumstances. As the relevant work is part of the overall work of the Commerce, Industry and Tourism Branch and the ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)093

(Question Serial No. 2882)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Commerce and Economic Development Bureau (CEDB) under this programme is to foster friendship and understanding between the business communities of Hong Kong and our major markets. Would the CEDB give an account of how such major markets or business communities were selected to develop contact and communication in 2019-20? Which major markets and industries were involved? What are the relevant figures concerning such development of contact and communication? What are the specific plans for fostering their friendship and understanding, including but not limited to meetings, forums, sharing sessions, seminars, business visits and banquets, etc? In fostering friendship and understanding, what opinions have the business communities conveyed in relation to business confidence in Hong Kong? What are the expenditure and manpower involved in conducting such work? What specific plans does the CEDB have to continue its efforts in fostering such friendship and understanding in 2020-21? What are the expected outcomes, as well as the expenditure and manpower involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 3)

Reply:

The work to foster friendship and understanding between the business communities of Hong Kong and our major markets is carried out by the Commerce, Industry and Tourism Branch and its agencies, including the overseas Hong Kong Economic and Trade Offices (“ETOs”), Invest Hong Kong (“InvestHK”) and the Hong Kong Trade Development Council (“TDC”).

The ETOs are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO which represents Hong Kong at the World Trade Organization, the remaining 12 ETOs, with a network covering Hong Kong's important trading partners, are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners. They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, conducting promotion work (e.g. giving public speeches, issuing press releases, etc.), liaising closely with Hong Kong enterprises and a wide range of interlocutors, as well as providing them with information and enquiry services about Hong Kong. In order to further strengthen Hong Kong's global economic and trade network, the Government will actively continue to explore the possibilities of setting up new ETOs in different countries.

Besides, our ETOs collaborate closely with other Hong Kong overseas agencies, such as InvestHK, TDC, Hong Kong Tourism Board, etc., in organising and co-organising a range of promotional activities, e.g. seminars, luncheons, receptions, exhibitions, thematic events, etc., to strengthen the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong and our advantages in various aspects, encouraging local enterprises to invest in Hong Kong or partner with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") development, the ETOs, along with InvestHK and TDC, have stepped up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

In 2020-21, the ETOs will continue to closely collaborate with other Hong Kong overseas agencies in organising different events to promote the Hong Kong Brand with a view to showcasing Hong Kong's unique position and advantages in different aspects. These activities and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help enhance Hong Kong's profile in other key markets.

InvestHK, on the other hand, has a presence in 34 cities, including the investment promotion units in 11 ETOs¹, covering the markets in 97 countries. It conducts various investment promotion activities including marketing campaigns, seminars and investment promotion visits to attract and assist companies around the world to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Belt and Road Initiative and Greater Bay Area development.

¹ The 11 overseas ETOs with investment promotion units are the Bangkok ETO, the Berlin ETO, the Brussels ETO, the Jakarta ETO, the London ETO, the New York ETO, the San Francisco ETO, the Singapore ETO, the Sydney ETO, the Tokyo ETO and the Toronto ETO.

In 2019, InvestHK supported 487 overseas and Mainland companies to set up or expand their business operations in Hong Kong, representing a year-on-year increase of 11.7 percent. During the year, a total of 7 569 meetings with target companies in key geographic markets were conducted, generating 947 new projects.

InvestHK deploys a comprehensive range of engagement with businesses around the world including but not limited to meetings, forums, sharing sessions, seminars and business visits. It also makes active use of online platforms, websites, the social media and newsletters.

Through InvestHK's engagement with a large number of businesses around the world, a wide spectrum of feedback is received. Companies generally have a positive outlook on Hong Kong. Over the past year, the common areas of concern have been global economic prospect, US-China trade tensions, social unrest in Hong Kong and Coronavirus Disease 2019.

Furthermore, TDC facilitates exchanges between Hong Kong and major export markets and trading partners mainly through its 50 offices worldwide, six bilateral business committees and the Federation of Hong Kong Business Associations Worldwide. TDC also set up 15 advisory committees covering Chinese business and various sectors to exchange views on promotion strategies for individual industries.

In light of the Belt and Road Initiative and the Greater Bay Area development, TDC set up the *Belt and Road Global Forum* and the *Belt and Road and Greater Bay Area Committee* to share information, communicate and focus on taking forward the related opportunities.

In 2020-21, TDC will continue to facilitate cooperation between Hong Kong and major export markets and trading partners through the above work and its exhibitions, forums, missions and business matching activities.

Fostering friendship and understanding between the business communities of Hong Kong and our major markets is part and parcel of the work of the three agencies, and the expenditures involved cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2883)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Bureau under this Programme is to closely monitor the trade protection measures adopted by the United States (US) since early 2018 and the developments of the trade conflict between China and the US and their impact on Hong Kong's economy, maintain close communication with the trade and respond timely to their needs by introducing timely targeted measures to assist the trade in developing markets and diversifying risks, and to relieve their financing burden.

Under Matters Requiring Special Attention in 2020-21, it is stated that the Bureau will continue to closely monitor the trade protection measures adopted by the US since early 2018 and the developments of the trade conflict between China and the US and their impact on Hong Kong's economy, maintain close communication with the trade, and consider introducing further measures to provide timely support to the trade as necessary.

What are the details of the timely targeted measures introduced in response to the needs of the trade in 2019-20, the results of the work to assist the trade in developing markets and relieve their financing burden, and the expenditure and manpower involved for such work?

What are the specific details of the further measures being considered to introduce in 2020-21, the expected outcome of the support to the trade, and the expenditure and manpower involved for such work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 4)

Reply:

The Government has been maintaining close communication with the trade on the developments of the United States (US) - China trade conflict and their impact on Hong Kong economy, exchanging information with the trade and discussing with them on how to respond. Since June 2018, the Government has implemented a number of targeted measures in financing, export credit insurance, market promotion, development of markets and production bases, etc. to assist the trade in coping with the impact of the US - China trade conflict.

2019-20

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

- The HKMC Insurance Limited (HKMCI) provides loan guarantee at a preferential guarantee fee to help relieve the liquidity problem facing SMEs through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019. The Government has made three enhancement measures to the SFGS 80% Guarantee Product in November 2018, including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years. Moreover, the Trade and Industry Department (TID) provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

In view of the impact brought by the US-China trade conflict and economic downturn, the HKMCI and TID in September 2019 introduced a relief measure of principal moratorium for maximum 12 months under the SFGS and the SGS. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

- At the same time, the Government assists enterprises in exploring markets and enhancing their overall competitiveness through various funding schemes, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

In 2019-20, the Government injected \$1 billion into the SME Export Marketing Fund (EMF), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding; and expanding the scope of funding for business missions to further assist enterprises in exploring overseas markets.

The Government also injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each

enterprise from \$2 million to \$4 million (including \$2 million under the Mainland Programme and \$2 million under the Free Trade Agreement (FTA) Programme); extending the geographical coverage of the BUD Fund from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed FTAs with Hong Kong; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding to provide more funding to enterprises directly for market exploration.

Moreover, TID administers the Trade and Industrial Organisation Support Fund (TSF) which provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

- The Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council (HKPC) and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau (CEDB) allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

Effectiveness

The SME support measures launched by the Government in 2019-20 were well received. Amongst others, there was a significant increase in the number of applications for the 80% Guarantee Product under the SFGS since the launch of enhancement measures in November 2018. In 2019, a total of 2 734 cases were approved, increased by 60% as compared with 2018, involving \$13.772 billion, increased by 89% as compared with 2018. The number of applications received under the SGS each year also remains stable. As for the EMF, the number of applications approved (11 919) and the total amount of grants approved (\$299 million) in 2019 increased by 32% and 79% respectively over 2018. As for the BUD Fund, the number of applications approved (736) and the total amount of grants approved (\$429 million) in 2019 increased by 53% and 97% respectively over 2018.

Plans for 2020-21

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SFGS, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance

Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

In addition, the Government will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through the various funding schemes, and enhance SMEs' understanding of the Government's funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government. The total expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion.

Summary

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

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)095

(Question Serial No. 2884)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was mentioned in paragraph 81 of the Budget Speech that the Government will allocate an additional funding of \$150 million to the Trade Development Council for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations.

In this connection, I would like the Commerce and Economic Development Bureau to explain how it is going to allocate the funding and inform this Committee of the content of the promotional activities and the departments, manpower and expenditure involved in 2020-21. How does the Bureau select which major cities to set up the Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops, and what roles will the overseas Hong Kong Economic and Trade Offices play? How are the trade delegations going to be formed, and what will be the participating organisations and number of delegates? How does the Bureau select the countries and areas to be visited and decide on the number of visits and the expenditure and manpower involved in the related work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 5)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong

Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)096

(Question Serial No. 2885)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the tasks of the Hong Kong Trade Development Council (HKTDC) under the programme is to promote Hong Kong as a platform for doing business with the Mainland and worldwide, as a commercial hub for the Belt and Road Initiative, and as a two-way platform for the Greater Bay Area. Under Matters Requiring Special Attention in 2020-21, the HKTDC will cement Hong Kong's position as a global investment and business hub, riding on opportunities from the Belt and Road Initiative and the Greater Bay Area development. Would the HKTDC specify the efforts it made in 2019-20 to ride on opportunities from the Belt and Road Initiative and the Greater Bay Area development, especially to assist small and medium enterprises, including but not limited to exhibitions and conferences, online business matching services, promotion events and outbound missions? What were the expenditure and manpower involved? In 2020-21, what are the specific plans of the HKTDC to help Hong Kong continue to ride on the relevant opportunities? What are the expected outcomes, and the expenditure and manpower involved in the relevant work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 6)

Reply:

The Hong Kong Trade Development Council (TDC) has been organising a variety of events to help Hong Kong companies tap opportunities under the Belt and Road Initiative. Among them, to establish Hong Kong as the information hub of the Belt and Road Initiative, TDC launched the *Belt and Road Portal* in December 2015. Furthermore, since 2016, the Government and TDC co-organised the *Belt and Road Summit* every year. The fourth Summit held last year attracted over 5 000 government officials and business leaders from about 70 countries and regions, with over 240 investment projects featured and over 700 one-to-one business matching meetings arranged. To help consolidate Hong Kong's market status and its role as the commercial hub of the Belt and Road Initiative, TDC set up

the Belt and Road Committee in 2017. In light of the opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, the Belt and Road Committee was restructured as the Belt and Road & Greater Bay Area Committee in October 2019, and three task forces were set up to concentrate on opportunities for Hong Kong arising from the development of overseas industrial parks, smart city, digital connectivity and start-ups. In June 2018, TDC set up the *Belt and Road International Forum* with a membership of over 140 organisations in over 30 countries and regions. Furthermore, TDC organised various missions and large-scale campaigns in major business centres to tap opportunities along the Belt and Road.

In 2020-21, TDC will continue to promote the Belt and Road Initiative through organising various events, including co-organising the fifth *Belt and Road Summit* with the Government, which will be a two-day anchor event of the *Belt and Road Week*; continuing expansion of the *Belt and Road Global Forum*; enriching the content of the *Belt and Road Portal*; and staging large-scale promotional events in countries along the Belt and Road to help Hong Kong companies seize new opportunities. Furthermore, TDC will organise missions for specific sectors to countries along the Belt and Road, so that Hong Kong companies can obtain a first-hand understanding of the investment environment and business opportunities.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)097

(Question Serial No. 2886)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2020-21 that the Hong Kong Trade Development Council will leverage Hong Kong's value-added and customised products and services to create and facilitate business opportunities worldwide.

Please provide information on the following: How did the Government select and leverage the value-added and customised products and services in 2019-20? What products and services were selected? What business opportunities were created and facilitated worldwide for Hong Kong? What were the expenditure and manpower involved in such work?

In 2020-21, how will the Government select and leverage Hong Kong's value-added and customised products and services? What products and services will be selected? Regarding such products and services, what are the expected effectiveness, details of procurement arrangements and estimated expenditure, and the manpower involved in such work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 7)

Reply:

In 2019-20, the Hong Kong Trade Development Council (TDC) facilitates business opportunities worldwide mainly through various major events. For example, the fourth *Belt and Road Summit* co-organised with the Government arranged more than 700 one-to-one business matching meetings, and the *Deal Flow Matchmaking Session* at the 13th *Asian Financial Forum* last year arranged about 700 meetings covering a variety of industries.

In 2020-21, TDC will continue to leverage Hong Kong's value-added and customised offerings to create and facilitate business opportunities worldwide. To this end, TDC will

include new elements focusing on projects on technology and innovation at the investment project introduction session at the fifth *Belt and Road Summit*; strengthen the work related to the *Deal Flow Matchmaking Session*; and organise investment missions on specific industries. TDC will also continue to organise different kinds of events in Hong Kong, mature markets and new markets, including exhibitions and forums, in order to promote Hong Kong's overall image, professional services and brand products.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)098

(Question Serial No. 2887)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2020-21 that the Hong Kong Trade Development Council will nurture an international entrepreneurial ecosystem for Hong Kong in the digital era. However, as Hong Kong was affected by the “black violence” and epidemic over the past 6 months or so, not only was the overall business environment impacted, but also many innovation and technology talents were hesitant to come to Hong Kong.

Please provide details of the specific work implemented by the Bureau for nurturing an international entrepreneurial ecosystem for Hong Kong in 2019-20. What were the results achieved and inadequacies, and what were the expenditure and manpower involved in the relevant work?

In 2020-21, how will the Government nurture an international entrepreneurial ecosystem for Hong Kong amid the “black violence” and epidemic? What are the expected results of the specific plans and measures, and what are the expenditure and manpower involved in the relevant work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 8)

Reply:

The Hong Kong Trade Development Council (TDC) endeavours to help Hong Kong enterprises seize opportunities arising from the digital era, improves their competitiveness and connects start-ups with potential partners in the world through an array of measures.

In 2019-20, over 500 start-ups showcased their innovative ideas and products to buyers worldwide at the *Start-up Zone* set up by TDC at various exhibitions and conventions, and participated in a series of events including pitching, project matching and mentoring

sessions. TDC also organised the 11th *Entrepreneur Day* in May 2019 which showcased innovative products and technology from over 280 companies, as well as various support services for entrepreneurs, attracting more than 18 600 visitors. The final pitching of the second *Start-up Express* programme was also held during the event in which ten winning start-ups were selected.

Furthermore, TDC organised an open competition on innovation named *IP Hatch* for start-ups and entrepreneurs. TDC also launched an online start-up community named *Hong Kong Start-up Society* to invite industry experts to share insights and provide information on angel funds, incubation programmes and start-up events.

In 2020-21, TDC will nurture an international entrepreneurial ecosystem for Hong Kong in the digital era, in order to promote economic development and take businesses to the next level. TDC will, through an array of measures, assist businesses to utilise the Hong Kong platform for exploring global business, equip them for digital economy and establish Hong Kong as Asia's start-up hub. Amongst others, TDC will increase the number of winners of the *Start-up Express* programme to 20, provide start-ups with opportunities to present their ideas to business leaders, step up promotion of Hong Kong start-up brands, and offer a free trial of online promotion package for Hong Kong exhibitors.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)099

(Question Serial No. 2888)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Programme, one of the Hong Kong Tourism Board (HKTB)'s objectives is to promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination. However, the international image of Hong Kong has been severely jeopardised by the prevalence of social violence during the past six months or so. It is mentioned under Matters Requiring Special Attention in 2020-21 that the Government will allocate an additional provision of \$791 million to the HKTB for relaunching and rebuilding Hong Kong's tourism image as a welcoming and premier tourist destination with a view to restoring visitors' interests and confidence in Hong Kong. Would the Government please advise the specific work that has been done in 2019-20 to promote Hong Kong globally and its effectiveness? What promotional activities and international events have been cancelled or postponed due to the occurrence of violence, and what are the expenditure and manpower involved? In 2020-21, how will the additional provision be used? What are the details of the new measures to be launched, as well as the expenditure and manpower involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 9)

Reply:

In 2019-20, due to the social events, some of the events and promotions which were scheduled to be organised by the Hong Kong Tourism Board (HKTB) in the second half of 2019 had to be suspended or cancelled. Therefore, most of the completed promotion work was in the first half of the year. All in all, the major work conducted by the HKTB in 2019-20 includes:

- Trade collaboration: organising 21 trade activities;
- Public relations initiatives: assisting 260 international media from various countries and regions, including Australia, the Mainland, Indonesia, Japan, South Korea, Malaysia, the Philippines, Taiwan, Thailand, the UK and the US; as well as supporting Netflix, Nat Geo People and CJ ENM to produce programmes for regional markets;
- Mega event support: stepping up promotion of events such as the Hong Kong Sevens

- (April 2019) and the Hong Kong Open (Golf) (January 2020);
- MICE tourism: providing support for over 1,100 MICE events;
 - Cruise tourism: supporting cruise trade to strengthen marketing promotion. The total non-local cruise visitors throughput in 2019 was close to 550 000, representing a growth of 6% over the last year; and
 - At the end of the year, rolling out the “Hong Kong is ON” tactical campaign which provided a platform consolidating citywide offers covering airlines, travel agents, hotels, attractions, restaurants, merchants, shopping malls and even small shops to encourage local spending and attract visitors to Hong Kong. As at end January 2020, the platform has over 3.8 million page views. Amusement park’s buy-one-get-one-free tickets were sold out. Weekly surprise offers for dining were snapped up instantly.

In view of the social events and COVID-19 outbreak, HKTB had, after careful consideration, cancelled four mega events, namely “Hong Kong Dragon Boat Carnival”, “Hong Kong Cyclothon”, “Hong Kong Wine & Dine Festival” and “International Chinese New Year Carnival”. In order to minimise the cost involved, HKTB had immediately discussed with various relevant contractors when decided to cancel the events. As the preparatory work for the events had started, HKTB still has to bear a total expenditure of about \$82 million. Besides, the preparatory and promotion work were jointly conducted by HKTB’s head office and worldwide offices, the staffing for individual items can hardly be quantified separately.

The Government has proposed to provide additional funding of \$791 million to HKTB in 2020-21 to step up promotion and revive the Hong Kong tourism industry. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
<p>5. Launching a global tourism brand campaign to rebuild Hong Kong’s tourism image</p> <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226
<p>6. Strengthening support for the travel trade to open up business opportunities and recover visitors’ momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade’s promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade’s marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117

Initiatives	Amount (HK\$ million)
<p>7. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>8. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

Since these promotion initiatives will be jointly conducted by HKTB's head office and worldwide offices, the staffing for individual items can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)100

(Question Serial No. 2889)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2020-21 that the Hong Kong Tourism Board (HKTB) will make use of attractive tactical offers to drive visibility in local communities and overseas markets, starting from selected markets such as the Philippines, South Korea, Indonesia and India. Please advise the specific contents and breakdown of expenditures of the above tactical offers, how the markets are selected, the target amount of visitors drawn and their spending in Hong Kong. Moreover, according to the HKTB, the promotion will aim to mobilise local community, expatriates, friends and fans of Hong Kong to gradually generate word-of-mouth and trustworthy testimonials. What specific plan does the Government have to mobilise the above people? What are the target number of participants, the specific details and contents of the promotion, including but not limited to shooting video clips and making use of digital and social media, as well as the expenditure and manpower involved in the relevant work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 10)

Reply:

The COVID-19 outbreak is hitting the tourism industry globally, and consumers' travel desire is sluggish. To gradually restore visitors' confidence in travelling to Hong Kong, the Hong Kong Tourism Board (HKTB) will stimulate local spending first, which in turn attracts visitors from different source markets through positive messages. HKTB is planning to work with different trades, including travel, hotel, dining and retail, to roll out initiatives for stimulating consumption and encouraging spending by locals and expatriates. Their positive message is crucial in building a reputation for the city and attracting their overseas relatives and friends to Hong Kong.

The exact timeline and details for the initiative depends on various factors including the development of the epidemic in Hong Kong and the source markets, as well as resumption of flight operations. HKTB will monitor the situation closely.

Since the aforementioned initiative will be jointly executed by HKTB's head and worldwide offices, and the expenditure will subsume into the overall work of HKTB, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)101

(Question Serial No. 2890)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2020-21 that the Hong Kong Tourism Board (HKTB) will utilise digital and social media channels to viral out positive testimonials and stories of visiting Hong Kong; expanding reach by working with different partners, key opinion leaders, celebrities to create sharable content and engaging stories and experiences on Hong Kong. Would the Government please advise the specific contents and breakdowns of expenditures of the above promotional activities, how will the different partners, key opinion leaders and celebrities be selected and their target number, the censorship arrangement of the sharable content, the copyright ownership issue, as well as the expenditure limit.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 11)

Reply:

In 2020-21, the Hong Kong Tourism Board (HKTB) will step up digital marketing effort and tie in with the to-be-launched new branding campaign to rebuild Hong Kong's tourism image. Its key digital marketing strategy is to produce creative contents to arouse consumers' interest in Hong Kong, advertise on websites and social media platforms, and collaborate with different partners, such as popular social media platforms, online travel platforms and key opinion leaders from different areas, leverage their extensive reach and influence to promote Hong Kong's diverse tourism experiences to a wider audience.

For the selection of working partners, HKTB will carefully review the impact of each potential partner in the related market and the world at large, as well as the quality of content creation, and invite the most suitable partners for collaboration.

Before starting a cooperation, HKTB will provide its partners with detailed instructions on content creation. Under most circumstances and whenever feasible, the copyright of the contents will belong to HKTB.

HKTB's estimated budget for digital marketing promotions in 2020-21, including production of creative contents, advertising and collaboration with different partners, is approximately \$140 million. Since the majority of digital marketing projects are integrated, the estimated budget for each project can hardly be quantified separately. In view of the evolving development and uncertainty of the COVID-19 outbreak, HKTB will closely monitor the latest situation and make timely adjustment to the strategy. It will also optimise use of funding for rolling out promotions which meet the market needs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)102

(Question Serial No. 2891)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2020-21, the Hong Kong Tourism Board will put forward aggressive competitive bidding packages to retain and win large and medium-sized international MICE events; and partner with association management companies and business associations with a view to bringing more high-profile MICE events to Hong Kong.

Will the Bureau please advise on the specific details of the aggressive competitive bidding packages; the content, the number, the visitor sources, the number of visitors and the amount of consumption of the target large and medium-sized international MICE events; and the expenditure and manpower involved in the related work?

What association management companies and business associations will the Bureau be partnered with? What are the specific details of the plan; the content, the number, the visitor sources, the number of visitors and the amount of consumption of the target high-profile MICE events; and the expenditure and manpower involved in the related work?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 12)

Reply:

In 2020-21, the HKTB will launch a new brand campaign to reinforce Hong Kong's image as "The World's Meeting Place" to attract more MICE events of different scales to Hong Kong. In addition, the HKTB will enhance support for the MICE trade and step up targeted promotions to encourage MICE events to return to Hong Kong as well as solicit more international conventions. The promotion work will be carried out on short as well as medium to long term basis:

Short-term:

Restoring confidence of MICE organisers and visitors in Hong Kong

- Working with well-known international commercial media to organise strategic conferences in Hong Kong and invite top speakers from around the globe to attend the events to draw media spotlight and uplift Hong Kong's international status and reputation.
- Attending international MICE trade fairs in key source markets with the local trade partners and actively bidding for important MICE events.
- Organising travel missions and familiarisation tours to update the trade in different markets on the latest developments of Hong Kong.

Closer cooperation and strengthening support to the trade to restore MICE business

- Actively bidding for medium-and large-scale or strategic international MICE events and bringing back those MICE events affected by social incidents and the COVID-19 outbreak.
- Rolling out new promotional programmes in collaboration with local hotels to offer attractive packages, for example, free meeting packages or dining packages for meetings and incentive travels (M&Is) in Hong Kong.
- Continuing to provide local travel agencies with subsidies to draw more small M&Is; planning to expand the coverage of the subsidy scheme and promoting Hong Kong with the trade partners.
- Intensively publicising the schedule of international conventions and exhibitions in Hong Kong to showcase that many MICE events are still being held in Hong Kong.

Medium to long-term:

Launching a new MICE brand campaign to rebuild tourism image

- Launching a new brand campaign to introduce new tourism products, venues and unique travel experiences in Hong Kong to corporate clients and travel trade of source markets;
- further consolidating Hong Kong's image as "The World's Meeting Place" and refreshing MICE visitors' perception of Hong Kong.

Fostering the long-term growth of MICE tourism

M&I

- Focusing resources on Southeast Asia (primarily Indonesia and Thailand), South Korea, India, the United States and the Mainland, and attracting large-scale M&Is from direct selling industry.
- Promoting themed M&I itineraries in key source markets by incorporating the cultural characteristics of Hong Kong into new travel experiences to attract M&Is.

Professional association conventions

- Maintaining the focus on the medical and innovation & technology industries and soliciting large-scale conventions from these sectors through strategic resources deployment.
- Fostering closer tie with professional associations in different places especially medical related associations, and promoting exchanges between Hong Kong and these associations to explore the possibility of organising joint conventions.

Exhibitions

- Working closely with the local exhibition sector to promote the city's image as "Asia's Fair Capital" at international trade events and stepping up cooperation with exhibition centres to bid for more exhibitions.
- Offering support to exhibition organisers and attracting buyers and exhibitors from source markets to participate in exhibitions in Hong Kong.

The HKTB is actively planning the related work. As it is uncertain how the COVID-19 outbreak will evolve, HKTB will refine the above promotion work in light of the market situation. Therefore, it is difficult to provide at this stage the details of the related work, like the number of events, the number of visitors and their spending.

In 2020-21, the HKTB plans to spend \$88.80 million on MICE promotion to help draw more high-spending visitors. The expenditure and manpower involved in the related work can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)103

(Question Serial No. 0196)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The SME Financing Guarantee Scheme (the scheme) mentioned in paragraph 27 of the Budget Speech aims to help small and medium-sized enterprises obtain loans from participating lenders such as banks for meeting their business needs. Please advise this Committee of the following:

1. the numbers of applications received and cases of loans approved under the scheme in the past 3 years, and the amount of loans involved;
2. the number of applications rejected under the scheme in the past 3 years, their percentage in the total number of applications, and the factors involved in the rejection of the applications;
3. given that the repayment period of the concessionary low-interest loan with 100% guarantee by the Government is 3 years for eligible enterprises, and on an opt-in basis, a principal moratorium is available for the first 6 months, which is a measure to tackle the novel coronavirus outbreak, will the Government consider enhancing the scheme and extending the repayment period to 5 years and the moratorium to 1 year to help enterprises meet their liquidity needs? If yes, the details; if not, the reasons for that; and
4. will the Government consider devoting more efforts to encouraging more banks to actively participate in the scheme? If yes, the details; if not, the reasons for that.

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 1)

Reply:

In order to relieve the liquidity problem facing small and medium enterprises (SMEs), The HKMC Insurance Limited (HKMCI) provides loans at a substantially reduced guarantee fee to enterprises through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019. Since November 2018, three enhancement measures have been made to the 80% Guarantee Product (including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years). From 2017 to 2020 (up to end February), the application numbers under the SFGS are set out in the table below –

80% Guarantee Product

	2017	2018	2019	2020 (up to end February)
Number of Applications Received	1 600	1 932	2 965	338
Number of Applications Approved ^{Note 1}	1 406	1 714	2 734	295
Total Loan Amount of Approved Applications (\$) ^{Note 2}	5.614 billion	7.277 billion	13.772 billion	1.409 billion

90% Guarantee Product

	16 December 2019 to end February 2020
Number of Applications Received	390
Number of Applications Approved ^{Note 1}	319
Total Loan Amount of Approved Applications (\$) ^{Note 2}	0.528 billion

Note 1: Excluding applications withdrawn by lending institutions after approval.

Note 2: The loan amount is the total loan amount provided by lending institutions to enterprises of approved applications, of which 80% or 90% of the loan amount is guaranteed by the Government.

From 2017 to 2020 (up to end February 2020), there were 24 and 0 applications rejected under 80% Guarantee Product and 90% Guarantee Product respectively, accounting for 0.4% and 0% of the total applications processed during the period. The reasons of rejection include applicants' failure to meet the eligibility criteria, poor repayment capability, poor financial performance and repayment record, or involving litigation with significant financial impact, etc.

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SFGS, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

We consider it a top priority to roll out the new product as soon as possible, so as to help relieve the severe liquidity problem currently facing enterprises. The Government may, subject to needs and market response, review the new product after its launch.

The HKMCI has all along been keeping lending institutions informed of the operation and latest development of the SFGS to encourage utilisation of the SFGS by lending institutions to support SMEs, through participating in the SME talks and seminars arranged by lending institutions; sharing success stories of SMEs benefited from the 80% Guarantee Product and introducing the latest 90% Guarantee Product; releasing quarterly claim reports and news to lending institutions; meeting with frontline and back office of lending institutions, and arranging regular training sessions for staff of lending institutions to hear their views and enhance their knowledge of the SFGS. The HKMCI welcomes all lending institutions to participate in the SFGS, including the Special 100% Guarantee Product to be rolled out soon.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)104

(Question Serial No. 0564)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government repeatedly emphasised that it would enhance Hong Kong's role as the prime platform and a key link for the Belt and Road (B&R) Initiative. In this connection, please inform the Committee of the following:

1. in the past 2 years, how many resources were allocated in this respect? What were the major work conducted and the major progress achieved?
2. in 2020-21, how many resources and manpower will be allocated and what major measures will be taken; and
3. whether the Government will consider allocating additional resources to actively promote the expansion of the coverage of mutual recognition of professional qualifications and credentials of the related industries in Hong Kong and the region, and develop Hong Kong into a professional training centre of B&R. If yes, what are the details; if no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 34)

Reply:

The HKSAR Government has been in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative (B&RI) for enterprises and the professional services sector in Hong Kong. Over the past two years, we continued to enhance related policy efforts, including organising a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing to showcase Hong Kong's unique position as the prime platform and a key link for B&RI. In addition, we continued to maintain direct communication and collaboration with relevant Mainland authorities, and to follow up on the implementation of the "Arrangement between

the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative" through convening the Belt and Road Joint Conferences held in June 2018 and July 2019, and two high-level meetings of the Mainland and Hong Kong Belt and Road Task Group held in December 2018 and November 2019 respectively.

Further to policy co-ordination efforts, we have been striving to foster strategic partnership and project matching between enterprises and professional services sector. Such efforts include co-organising the third and fourth Belt and Road Summits with the Hong Kong Trade Development Council (HKTDC) respectively on 28 June 2018 and 11 and 12 September 2019, as well as staging a series of forums, sharing and business matching sessions. We also supported the HKTDC to enhance its Belt and Road (B&R) Portal into a more comprehensive and up-to-date one-stop B&R platform, which came into operation in July 2019. Besides, the Commerce and Economic Development Bureau (CEDB) organised and participated in a number of business and professional missions to B&R related countries and regions, including Vietnam, Cambodia, Belarus, Myanmar, Georgia, Hungary, Spain, Serbia, the United Arab Emirates, Malaysia and Thailand, etc., thereby promoting Hong Kong's unique strengths.

For the coming year, the HKSAR Government will continue to proactively play the role of "facilitator" and "promoter", including undertaking policy co-ordination with relevant Mainland authorities. In addition, we will continue to co-organise with the HKTDC the fifth Belt and Road Summit on 9 and 10 September 2020 to promote business matching and collaboration; organise business and professional mission(s) to B&R related countries and regions to explore opportunities and promote Hong Kong's unique strengths, including a joint mission in conjunction with the Ministry of Commerce comprising Mainland and Hong Kong enterprises and professional services sector for "going global" en bloc; as well as to continue organising a host of business sharing and matching sessions. Steps will also be taken to facilitate and promote interested Hong Kong enterprises to try out in setting up businesses in the Mainland's overseas Economic and Trade Co-operation Zones.

The Government adopts a whole-government approach in the pursuit of B&RI, with relevant bureaux/departments taking forward related efforts, including in capacity building, relevant manpower training, and mutual recognition of professional qualifications, under their respective portfolios. As for the CEDB, in addition to establishing facilitating platforms for the professional services sector, we are currently encouraging the MTR Academy to explore with relevant Mainland authorities collaboration opportunities on human resources development under B&RI, so as to share Hong Kong's professional experience in training of railway management and operation. As well, a Policy Exchange and Capacity Building Programme was launched with relevant Mainland authorities in December 2019 to strengthen our collaboration in areas including capacity building. The next programme is planned to take place within 2020.

For 2018-19 and 2019-20, the Belt and Road Office (BRO) had a total establishment of 19 and 20 respectively, and the actual expenditure and anticipated overall expenditure of the BRO were about \$20.196 million and about \$24.440 million respectively. In 2020-21, the BRO will have a total establishment of 21, and the estimated overall expenditure is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)105

(Question Serial No. 1342)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government stated that it would continue to work with the related industries to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. In this connection:

Following the commissioning of Hong Kong-Zhuhai-Macao Bridge, Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link and International Cruise Terminal, as well as the commencement of the Three-Runway System project at the Airport, Hong Kong has gradually become a major transport hub where air, railway, highway and ferry transport converge. Has the Government considered allocating more resources and expediting its collaboration with the related governments and industries in the region for the joint promotion of “multi-destination” itineraries in overseas markets with a view to attracting tourists from around the world to travel and spend in Hong Kong, and thereby boosting the development of our relevant industries such as tourism, convention and exhibition, commerce, hotel, catering and retailing? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 40)

Reply:

The Hong Kong Tourism Board (HKTB) has been actively promoting the development of multi-destination tourism. Such efforts include strengthening collaboration with the tourism promotion organisations in Guangdong Province and Macao, jointly promoting the Guangdong-Hong Kong-Macao Greater Bay Area tourism brand, as well as multi-destination itineraries and tourism products featuring Hong Kong to overseas travellers. In view of the current development of the COVID-19 outbreak, the HKTB will closely monitor the situation, and formulate and launch relevant promotion in due course.

The total budget for the HKTB to promote the development of multi-destination tourism in 2020-21 is around \$12 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)106

(Question Serial No. 0869)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In regard to “enhancing and promoting the new web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities”, will the Government inform this Committee of the following:

1. Please set out in detail the contents, framework or plan of the platform to be enhanced and promoted;
2. What channels will the Government use to promote this new web-based tourism resource platform? What is the estimated expenditure?
3. What is the estimated number of visitors this initiative will bring about for Hong Kong?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 18)

Reply:

The Government allocated funding of \$3 million in the 2018-19 Budget to support the Travel Industry Council of Hong Kong (TIC) in developing a web-based tourism resource platform about Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities. The TIC launched the platform in the fourth quarter of 2019, providing tourism information, travel products, details about travel service providers, etc. of the places concerned.

In order to encourage the travel trade to develop more thematic tourism products and enhance the competitiveness of the travel industry, the Government has earmarked additional funding of \$20 million in total in the 2019-20 and 2020-21 Budgets to support the TIC in enhancing and promoting the platform. The Government and the TIC will

formulate details of the initiative, including how to enrich the platform's content and enhance its functions, as well as promotion plan.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)107

(Question Serial No. 0872)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the organisation of “trade visits to the Greater Bay Area to deepen co-operation with the Mainland travel trade”, will the Government inform this Committee of:

1. whether the Government has a preliminary plan currently and will it launch a pilot scheme in certain municipalities?
2. Apart from trade visits, what other measures will be taken to promote co-operation with the Mainland travel trade? Will the Government consider setting up a subsidy scheme?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 19)

Reply:

The Government has supported the Travel Industry Council of Hong Kong (TIC) to arrange visits for Hong Kong travel trade to different cities of the Greater Bay Area to strengthen co-operation with the Mainland trade and explore related business opportunities. The TIC organised 3 visits covering all Greater Bay Area cities other than Hong Kong from mid-2018 to early 2019, as well as 1 visit to Hengqin, Zhuhai in early 2020. In view of the current COVID-19 outbreak, the Government and the TIC will closely monitor the situation and formulate plan for future visits.

Furthermore, the Hong Kong Tourism Board (HKTB) has been in active collaboration with the tourism promotion organisations in Guangdong Province and Macao, jointly promoting the Greater Bay Area tourism brand, as well as multi-destination itineraries and tourism products featuring Hong Kong to overseas travellers. To encourage Hong Kong travel agents to develop and promote tourism products about the Greater Bay Area and attract more overseas visitors to travel to the Greater Bay Area through Hong Kong, the HKTB

launched the “Explore Greater Bay Area Tours Scheme” in August 2019 to provide relevant travel agents in Hong Kong with marketing and promotion funding support.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)108

(Question Serial No. 0877)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of tourism products in Hong Kong as enshrined in the Development Blueprint for Hong Kong's Tourism Industry, will the Government inform this Committee of:

1. the promotion work of tourism products in detail;
2. the Government expenditure on promoting tourism products over the past three years;
3. the number of visitors brought in by the tourism products over the past three years; and
4. whether the products have been evaluated for its effectiveness? If yes, what are the details?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 20)

Reply:

The Government promulgated the "Development Blueprint for Hong Kong's Tourism Industry" in October 2017 and allocated additional funding of \$396 million and \$353 million respectively in the 2018-19 and 2019-20 Budgets to support the tourism industry, among which \$170 million and \$27 million was allocated to the Tourism Commission (TC) for working with the travel industry and related organisations in developing 18 tourism products and initiatives (12 in 2018-19 and 6 in 2019-20) in areas of development of tourism products, supporting attractions and trade development, promoting smart tourism and elevation of professional services of relevant trades. The related major tourism products and initiatives are as follows:

12 initiatives in 2018-19

Tourism Products/Initiatives	Details and Latest Progress
(1) Convention under the dual themes of the Belt-and-Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area)	<ul style="list-style-type: none"> The Government, the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC) jointly organised the Convention under the dual themes of the B&R Initiative and Greater Bay Area on 12 December 2018 in Hong Kong Convention and Exhibition Centre. About 1,000 participants attended the convention, including representatives of tourism authorities and trade members from Hong Kong, Macao, the Mainland provinces and cities, as well as 34 Belt & Road related countries, for exchanges on international tourism co-operation.
(2) Supporting the TIC in arranging Hong Kong's travel trade to visit the Greater Bay Area	<ul style="list-style-type: none"> The Government has supported the TIC to arrange visits for Hong Kong's travel trade to different cities of the Greater Bay Area to strengthen co-operation with the trade therein and explore related business opportunities. The TIC organised three visits covering all Greater Bay Area cities other than Hong Kong from mid-2018 to early 2019, as well as one visit to Hengqin, Zhuhai in early 2020. In view of the current epidemic of Coronavirus Disease 2019, the Government and the TIC will closely monitor the situation and formulate plan for future visits.
(3) Light installation project at the Central Harbourfront	<ul style="list-style-type: none"> To enhance the tourism characteristics of Victoria Harbour and its promenade, the first-ever "International Light Art Display" was organised by HKTB and co-organised by TC from 29 November 2018 to 24 February 2019 featuring 25 overseas and local light art installations displayed at the Central and Western District Promenade (Central Section) and Tamar Park, to enhance the tourism appeal of the Victoria Harbour and the Promenade. The event attracted an attendance of over one million.

Tourism Products/Initiatives	Details and Latest Progress
<p>(4) Supporting attractions to enhance their competitiveness and conduct promotions in source markets</p>	<ul style="list-style-type: none"> The Government provided funding support to the Hong Kong Association of Amusement Parks and Attractions (“HKAAPA”) to enhance the competitiveness of key tourist attractions and support their promotions in source markets. <p>2018-19</p> <ul style="list-style-type: none"> HKAAPA deployed the funding for (a) participation in the China (Guangdong) International Tourism Industry Expo (“CITIE”) held in September 2018 and the Fifth China (Shenzhen) International Tourism Expo held in November 2018; and (b) enhancement work of HKAAPA’s website to enable it to connect to the Government’s official travel landing page “Visit Hong Kong”. <p>2019-20</p> <ul style="list-style-type: none"> HKAAPA deployed the funding for (a) participation in the CITIE held in late August 2019; and (b) further improving the layout and functions of the HKAAPA’s website as well as making better connection with the Government’s official travel landing page “Visit Hong Kong”.
<p>(5) Supporting the TIC in developing a web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities</p>	<ul style="list-style-type: none"> The TIC launched the platform in the fourth quarter of 2019, providing tourism information, travel products, details about travel service providers, etc. of Belt and Road related countries and regions and Greater Bay Area cities. In order to encourage the travel trade to develop more thematic tourism products and enhance the competitiveness of the travel industry, the Government will continue to support the TIC in enhancing and promoting the platform. The Government and the TIC will formulate details of the initiative, including how to enrich the platform’s content and enhance its functions, as well as promotion plan.

Tourism Products/Initiatives	Details and Latest Progress
(6) Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government is partnering with the School of Creative Media, City University of Hong Kong to take forward the project in bringing visitors back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. • The first phase of this project is tentatively scheduled for launching in the Tsim Sha Tsui and Central areas in the third quarter of 2020.
(7) New tourism projects with creative, artistic and cultural elements	<ul style="list-style-type: none"> • Tourism Commission, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through cross sectors collaboration, have launched the 3-year creative tourism project, “Design District Hong Kong” (#ddHK), which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts as tourism spots. • The project is being rolled out progressively from December 2018, including place making artworks and virtual sculpture through the application of Augmented Reality at different locations of Wan Chai and Causeway Bay, presenting comic characters with local originality afresh at trams and tram stops, a characteristic fashion parade with multi-disciplinary crossovers in fashion, music, digital and performing art at Sham Shui Po so as to enrich the creative atmosphere, activate the public spaces and showcase the local scenery and cultural lives of Wan Chai and Sham Shui Po Districts to tourists and public. The remaining deliverables under #ddHK will be launched progressively as scheduled in 2020-2021.

Tourism Products/Initiatives	Details and Latest Progress
(8) New pilot arts cum historical, cultural and green tourism event at Yim Tin Tsai of Sai Kung	<ul style="list-style-type: none"> • Since 2019, the Government has launched the “Yim Tin Tsai Arts Festival”, which is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung. • The first event “Yim Tin Tsai Arts Festival 2019” was held from 30 November to 29 December 2019. During the event period, the number of visitors and participants of related activities in Yim Tin Tsai was over 22 000, whereas the number of visitors to Visitor Centre cum Exhibition Hall and participants of activities in Sai Kung Town was over 39 000. After the first event, some of the artworks showcased have become permanent exhibits for visitors’ appreciation. The first event was well received. The Government is working with the curatorial organisation to prepare for the implementation of the second and the third events in 2020 and 2021 respectively.
(9) Enhancing the tourism supporting facilities of some popular hiking trails and those with good tourism potentials	<ul style="list-style-type: none"> • In order to promote green tourism, the Government has earmarked from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some popular hiking trails as well as those with tourism potential within country parks. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points, enrichment of visitor information and stepping up cleansing services, etc. The Government will enhance the supporting facilities of Dragon’s Back (Shek O Country Park), Peak Trail (Pokfulam Country Park), Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Improvement works have commenced. The first phase which covers MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo has largely been completed. The Agriculture, Fisheries and Conservation

Tourism Products/Initiatives	Details and Latest Progress
	<p>Department (AFCD) also launched the enhanced thematic website in December 2019 to provide detailed information on hiking trails and green attractions to enrich visitors' experience. The enhancement works of the second phase which include Dragon's Back, Shing Mun Reservoir Walk and Lantau Trail Section 2 are being implemented and expected to be completed in the fourth quarter of 2020 to tie in with the hiking season.</p>
<p>(10) Ocean Park's education tourism projects and the new 3D projection-cum-water light show</p>	<ul style="list-style-type: none"> • To enhance its attractiveness, Ocean Park is developing education tourism projects and staging a new 3D projection-cum-water light show with local elements. • Ocean Park has already rolled out a night time multimedia light show. For the education tourism projects, the Ocean Park will use the funding from the Government to enhance the Park's conservation education projects and create new education tourism projects, and establish a technology-driven and highly interactive STEAM education hub. The education tourism projects are expected to roll out progressively this year, while the STEAM Hub is expected to be completed by 2021.
<p>(11) Launching a new smart travel landing page [extended to the 5th tourism initiative in 2019-20]</p>	<ul style="list-style-type: none"> • The official landing page "Visit Hong Kong" website (www.visithongkong.gov.hk) provides useful tourist information on items including control points facilities, attractions and festivals, transportation and promotional offers. • Tourists arriving at Hong Kong International Airport, West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge can click on the link provided through the free Wi-Fi services to visit the landing page. <p>Since the launch in September 2018, "Visit Hong Kong" has been viewed by an average of more than 5 200 people per month, with a total of about 92 000 people visiting</p>

Tourism Products/Initiatives	Details and Latest Progress
	(as at 29 February 2020). In addition to inbound visitors, users surfing the website come from all over the world including Southeast Asia (Taiwan, Singapore, Japan, Malaysia), Canada, the United Kingdom, the United States and European countries.
(12) Supporting the TIC in continuing to implement and enhance the Pilot Information Technology Development Matching Fund Scheme for Travel Agents	<ul style="list-style-type: none"> The TIC enhanced the scheme in July 2018 with the maximum number of projects to be funded for each travel agent increased from 1 project to 2 projects, one of which must be about adoption of the e-levy system and/or enhancement of the security of the IT system, so as to encourage more small and medium-sized travel agents to make use of information technology.

6 Initiatives in 2019-20

Initiatives	Background and Latest Progress
(1) Supporting the TIC in enhancing and promoting the web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities	<ul style="list-style-type: none"> [Note: Please refer to item 5 rolled out in 2018-19 above.]
(2) Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park	<ul style="list-style-type: none"> AFCD has commenced a consultancy study in November 2019 to review the exhibition and visitor facilities of the Hong Kong Wetland Park (HKWP). Preliminary findings of the consultancy study are expected to be ready in the second quarter of 2020. Subject to the findings of the study, AFCD will seek the necessary funding to enhance the facilities of HKWP.
(3) Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity	<ul style="list-style-type: none"> The Government is improving the facilities of the Ngong Ping Nature Centre to provide visitors with more comprehensive information on the nearby hiking trails. The renovated centre, which will enhance the provision of hiking information with interactive elements and guided tour service, is expected to be reopened in 2020. The above will complement the improvement

Initiatives	Background and Latest Progress
	<p>scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving some sections of the Nei Lak Shan Country Trail and Lantau Trail, enhancing visitor signages, as well as expanding and constructing viewing platforms. The enhancement of visitor signages and part of the improvement works on hiking trail sections have already been completed in 2019, while the remaining works are expected to be completed by phases from 2020 to 2022.</p>
(4) Conducting a consultancy study for promoting smart tourism	<ul style="list-style-type: none"> • We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The study is anticipated to be completed within 2020-21.
(5) Extending the official visitor landing page "Visit Hong Kong" to cover other boundary control points [extended from the 11th tourism initiative in 2018-19]	<ul style="list-style-type: none"> • Extend the first official landing page "Visit Hong Kong", launched in September 2018, progressively to other boundary control points, such as considering extension to Lok Ma Chau Spur Line boundary control point.
(6) Supporting the TIC in promoting business co-operation through trade forums or exchange visits in Belt and Road related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives	<ul style="list-style-type: none"> • On training, the TIC expanded the Training Programme Subsidy Scheme in end October 2019 to subsidise tourist guides in completing the Continuing Professional Development Scheme for renewing their passes, and each tourist guide can receive subsidy up to \$1,000. • [Note: On trade forums or exchange activities, please refer to item 2 in 2018-19 above.]

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)109

(Question Serial No. 0881)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that the Government has “rolled out since last August several measures to alleviate their operating pressure and the Anti-epidemic Fund will also implement measures to help the industry”. In the regard, the Government has launched supporting schemes such as the Travel Agents Subsidy Scheme and the Licensed Guesthouses Subsidy Scheme. Will the Government inform this Committee of the number of applications from organisations for these schemes and when will the subsidy be paid out? Whether the Government has compiled statistics on the number of persons employed by the applicants? If yes, what are the details?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 21)

Reply:

The financial impact of the measures will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill or the estimates on the General Revenue Account.

The Travel Agents Subsidy Scheme and the Licensed Guesthouses Subsidy Scheme established under the Anti-epidemic Fund started to accept registration immediately upon the approval of the provision by the Finance Committee of the Legislative Council on 21 February 2020 night.

As at 24 March 2020, we received over 1 710 registrations under the Travel Agents Subsidy Scheme. Over 99% of the travel agents registered under the Scheme have already received the subsidy. As for the Licensed Guesthouses Subsidy Scheme, we have received about 1 800 registrations, of which some 1 400 guesthouses have already received the subsidy.

We do not have information on the number of staff employed by all licensed travel agents or licensed guesthouses in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)110****(Question Serial No. 0882)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Paragraph 80 of the Budget reads “I will allocate an additional amount of over \$700 million for the Hong Kong Tourism Board to step up promotion and revive the tourism industry when the epidemic is over.” In this connection, will the Government inform this Committee of:

1. the details of the external promotion efforts;
2. the target regions/countries for promotion;
3. whether the Government will set any indicators to assess the effectiveness of the \$700 million provision? If yes, what are the details? If not, will it consider the adoption of such indicators?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 22)

Reply:

The Government has proposed to provide additional funding of HK\$791 million to the Hong Kong Tourism Board (HKTB) in 2020-21 to step up promotion and revive the tourism industry. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
<p>1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image</p> <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226

Initiatives	Amount (HK\$ million)
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

HKTB will focus its marketing resources on 20 key source markets, including the Mainland, Japan, Taiwan, South Korea, Singapore, the Philippines, Malaysia, Indonesia, Thailand, the US, Australia, the UK, Canada, Germany, France, India, Russia, the Gulf Cooperation Council Markets, Vietnam and the Netherlands. These 20 markets together generate approximately 96% of all visitor arrivals to Hong Kong. HKTB will closely monitor the latest situation, including the development of the COVID-19 outbreak in Hong Kong and source markets as well as the resumption of normal airline services to stay flexible in allocating resources to recover visitor momentum in Hong Kong and revive the tourism industry.

When the related work plan is finalised, HKTB will set up different performance indicators based on the nature of the promotion work to assess its effectiveness. It will also optimise use of the funding in light of actual market situation.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)111****(Question Serial No. 1410)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to Mainland tourists visiting Hong Kong, will the Government inform this Committee of:

1. the numbers of complaints lodged to the Travel Industry Council (TIC) by Mainland tourists visiting Hong Kong over the past 5 years;
2. the details/scopes and numbers of complaints lodged to the TIC by Mainland tourists visiting Hong Kong over the past 5 years;
3. the distribution of Mainland tourists visiting Hong Kong by province over the past 5 years.

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 23)

Reply:

The numbers of complaints received by the Travel Industry Council of Hong Kong from Mainland visitors during the past 5 years are as follows:

		2015	2016	2017	2018	2019
Total number of complaints from Mainland visitors (cases)*		260	161	195	155	187
Complaint items	Arrangements of travel agents	10	9	12	19	74
	Services of tourist guides	143	58	72	100	114
	Shopping related matters	148	110	140	116	138

* A single case may involve more than one complaint item.

According to the surveys of the Hong Kong Tourism Board, the numbers of Mainland visitors from each province/ municipality directly under the Central Government/ autonomous region to Hong Kong during the past 5 years are tabulated below:

Province/municipality directly under the Central Government/ autonomous region ('000)	2015	2016	2017	2018	2019
Guangdong	35 220	32 670	33 680	40 080	34 790
Shanghai	1 750	1 640	1 740	1 850	1 480
Beijing	1 440	1 340	1 440	1 470	1 160
Fujian	950	1 010	1 080	990	920
Zhejiang	950	870	880	1 060	880
Jiangsu	810	770	820	890	750
Sichuan	420	410	460	490	450
Hubei	540	510	540	550	440
Hunan	430	440	490	500	430
Guangxi	390	430	440	440	360
Chongqing	240	240	250	260	250
Shandong	280	280	310	300	250
Liaoning	310	290	280	250	210
Jiangxi	260	260	240	280	180
Shaanxi	200	170	190	180	150
Tianjin	210	160	190	200	140
Henan	250	210	220	210	140
Anhui	120	120	140	150	130
Guizhou	130	110	140	130	110
Yunan	170	130	170	140	100
Hainan	140	120	150	160	100
Hebei	120	120	140	100	70
Heilongjiang	110	120	110	80	70
Shanxi	100	80	100	80	60
Jilin	110	110	100	70	60
Inner Mongolia	60	50	40	40	30
Others#	140	100	100	80	70
Total	45 840	42 780	44 450	51 040	43 770

Others include Gansu, Xinjiang, Ningxia, Qinghai and Tibet

Remarks: Provinces/municipalities directly under the Central Government/autonomous regions (except "Others") are arranged in the descending order of visitor arrivals in 2019. Owing to rounding, the total may differ from the sum of the individual figures.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)112****(Question Serial No. 2285)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The main responsibilities of the Commerce, Industry and Tourism Branch (the Branch) under this programme are to formulate policies on tourism development; and to co-ordinate implementation of tourism projects and initiatives. In this regard,

(a) please use the table below to provide details of mega events organised by the Hong Kong Tourism Board (HKTB) in Hong Kong in the past year.

Event	Date of the event	Description of the event	Expenditure	Number of participants

(b) please use the table below to provide details of mega events held in Hong Kong and sponsored by the Government or HKTB in the past year.

Event	Organisation sponsored	Date of the event	Description of the event	Amount of sponsorship	Number of participants

(c) since the 2017-18 financial year, the Government has been adopting the following 4 new strategies to encourage and support different organisations to stage events or activities in Hong Kong: (1) providing one-stop support for large-scale commercial events with significant tourism merits, (2) cultivating home-grown events to enhance their status, (3) providing funding support for international events with significant branding impact on Hong Kong, and (4) introducing a pilot scheme to provide funding support for activities with local characteristics and tourism appeal. What work or projects did the Government engage in respectively under the 4 strategies in 2019-20? What were the respective expenses involved? What work or projects does the Government expect for 2020-21? What will be the estimated expenditure involved?

(d) It is mentioned under the Matters Requiring Special Attention in 2020–21 that the Branch will continue to take forward the creative tourism project with creative, artistic and cultural elements at selected districts, and organise the pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai. What creative tourism projects with creative, artistic and cultural elements have been taken forward in the past? Please provide details and the respective expenses involved. Please also provide details of and the expenditure involved in the new pilot arts cum historical, cultural and green tourism project organised at Yim Tin Tsai last year.

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 90)

Reply:

In 2019-20, the Hong Kong Tourism Board (HKTb) originally planned to organise eight mega events, namely “Hong Kong Dragon Boat Carnival”, “e-Sports & Music Festival Hong Kong”, “Hong Kong Cyclothon”, “Hong Kong Wine & Dine Festival”, “Hong Kong Great November Feast”, “Hong Kong WinterFest”, “Hong Kong New Year Countdown” and “International Chinese New Year Carnival”.

However, in view of the social events and the COVID-19 outbreak, HKTb had, after careful consideration, cancelled four mega events, namely “Hong Kong Dragon Boat Carnival”, “Hong Kong Cyclothon”, “Hong Kong Wine & Dine Festival” and “International Chinese New Year Carnival”. Details of the mega events staged in 2019-20 are as follows:

Event	Date	Contents	Event preparation, staging and promotion expenditure Note 1 (HK\$)	No. of participant
e-Sports & Music Festival Hong Kong	26-28 July 2019	The event was held at the Hong Kong Convention and Exhibition Centre and staged international e-Sports tournaments. In addition, there was an experience zone showcasing new games and products as well as stage performances with different themes every evening.	Around 32 million	Around 85 000

Event	Date	Contents	Event preparation, staging and promotion expenditure Note 1 (HK\$)	No. of participant
Hong Kong Great November Feast	1-30 November 2019	The campaign highlighted that a range of local restaurants and key dining districts rolled out a series of culinary events and special offers.	Around 9 million	Since the campaign encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the actual attendance.
Hong Kong WinterFest	20 December 2019 - 1 January 2020	The event included the Statue Square Christmas Tree and promotion of various attractions and events held in the city.	Around 10 million	Since the event encouraged visitors to explore various districts in Hong Kong, it was difficult to estimate the total actual attendance.
Hong Kong New Year Countdown	31 December 2019	The event included the “Hong Kong New Year Countdown Lucky Draw” and the enhanced edition of “A Symphony of Lights” above Victoria Harbour.	Around 21 million	Around 1 630 000 joined the “Hong Kong New Year Countdown Lucky Draw”

Note 1: Expenditures were partially covered by event sponsorship and revenue.

Besides, HKTB also subsidised the staging of the following mega event in Hong Kong:

Event	Sponsored organisation	Date of event	Contents	Funding ceiling (HK\$)	Number of participant
Hong Kong Open	Hong Kong Golf Association and Hong Kong Golf Club	9-12 January 2020	Professional international golf tournament	15 million	Around 36 000 ^{Note 2}

Note 2: Preliminary figure. The actual number will be confirmed after the HKTB has completed assessment of the evaluation report to be submitted by the event organiser.

Since 2017-18, the Government has been adopting a new strategy to support the staging of events and activities with different scales and nature in Hong Kong to tie in with our policy objective of diversification and attracting high-yield overnight visitors. The Government allocated \$159.4 million in 2019-20 to continue implementing the new strategy to promote the staging of the mega events and activities in Hong Kong:

- The Tourism Commission to provide “one-stop” support to large-scale commercial events with significant tourism merits, including enhancing the communication and cooperation among the organisers and the Government bureaux / departments;
- To enhance four home-grown events (including the Hong Kong Dragon Boat Carnival, the Hong Kong Cyclothon, the Hong Kong Wine & Dine Festival and the Tai Hang Fire Dragon Dance) with a view to marketing them as signature events in Asia;
- To support the marketing and publicity of international events with significant branding impact (including the Art Basel, the Hong Kong Sevens and the Hong Kong Open) to be held continuously in Hong Kong; and
- To implement the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for arts, cultural, festivals, dining or sports events with Hong Kong’s local characteristics and unique attributes.

In 2020-21, the Government will allocate \$277 million to continue the implementation of the above work under the new strategy so that events and activities of different scales and types could be supported according to their needs, and as a result Hong Kong will have a wide range of events and activities with local characteristics throughout the year to attract more visitors to Hong Kong.

Tourism Commission, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through collaboration with different sectors, have launched the 3-year creative tourism project, “Design District Hong Kong” (#ddHK), which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts as tourism spots. The project is being rolled out progressively from December 2018, including place making artworks and virtual sculpture through the application of Augmented Reality at different locations of Wan Chai and Causeway Bay, presenting comic characters with local originality afresh at trams and tram stops, a characteristic fashion parade with multi-disciplinary crossovers in fashion, music, digital and performing art at Sham Shui Po so as to enrich the creative atmosphere, activate the public spaces and showcase the local scenery and cultural lives of Wan Chai and Sham Shui Po Districts to tourists and public. The remaining deliverables under #ddHK will be launched progressively as scheduled in 2020-2021. The expenditure of this project in 2018-2019 and 2019-2020 was \$40 million in total.

Since 2019, the Government has launched the “Yim Tin Tsai Arts Festival”, which is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung. Through collaboration amongst local artists, youngsters and Yim Tin Tsai villagers, the Arts Festival has turned Yim Tin Tsai into an “open museum”, bringing a new and unique travel experience integrating arts, religion, culture, heritage and green elements to visitors. In early 2019, through open tender, the Government awarded a three-year

contract at a price of \$20 million to a suitable curatorial organisation. The actual total expenses incurred will be confirmed upon the completion of the three-year project. The first event "Yim Tin Tsai Arts Festival 2019" was held from 30 November to 29 December 2019. Seventeen groups of artworks created by local artists and youngsters were displayed at Yim Tin Tsai and Sai Kung Waterfront Park, and a series of interactive activities including cultural ecology guided tours, salt-making and Hakka teacake-making workshops, themed talks, musical performances, etc. were organised. After the first event, some of the artworks showcased have become permanent exhibits for visitors' appreciation. The Government is working with the curatorial organisation to prepare for the implementation of the second and the third events in 2020 and 2021 respectively.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)113****(Question Serial No. 3730)**

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Bureau please provide the balance, government injection amount, investment or other income and total expenditure of the following funds in 2018-19? If there are other funds within the purview of the Bureau not being listed below, please also provide information as per the items above.

1. Consumer Legal Action Fund
2. Dedicated Fund on Branding, Upgrading and Domestic Sales
3. SME Export Marketing and Development Funds

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 24)

Reply:

Please see below for the details of the 3 Funds referred in the question in 2018-19:

Name of Fund	Government injection (\$million)	Investment or other income (\$million)	Total expenditure (\$million)	Balance up to 31 March 2019 (\$million)
Consumer Legal Action Fund	10.000	0.590	1.890	15.900

Name of Fund	Government injection (\$million)	Investment or other income (\$million)	Total expenditure (\$million)	Balance up to 31 March 2019 (\$million)
Dedicated Fund on Branding, Upgrading and Domestic Sales (“BUD Fund”) ^{Note 1}	1,500.000	0	125.326	1,930.071 ^{Note 2}
Export Marketing and Trade and Industrial Organisation Support Fund ^{Note 1}	1,000.000	0	206.531	2,166.695 ^{Note 3}

Note 1: On 1 October 2018, the “SME Export Marketing and Development Fund” was renamed as “Export Marketing and Trade and Industrial Organisation Support Fund”, and incorporated the previous “Organisation Support Programme” under the “BUD Fund”. The expenditure under the previous “Organisation Support Programme” before 1 October 2018 remains chargeable to the “BUD Fund”.

Note 2: The total government injection into the “BUD Fund” from 2012 to 31 March 2019 was \$2.5 billion.

Note 3: The total government injection into the “Export Marketing and Trade and Industrial Organisation Support Fund” from 2001 to 31 March 2019 was \$6.25 billion.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)114****(Question Serial No. 0838)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the complaints on unfair trade practices received by the Consumer Council, please inform this Committee of:

- a. the number of complaints received for the past 5 years;
- b. the number of cases resolved for the past 5 years;
- c. the number of cases referred to other departments for the past 5 years.

Asked by: Hon MAK Mei-kuen, Alice (LegCo internal reference no.: 19)

Reply:

The numbers of complaint cases on unfair trade practices received by the Consumer Council in the past five years are listed in the following table.

Year	Number of complaints received ¹	Number of cases resolved	Number of cases referred to other departments
2015	4333	1985	229
2016	3078	1350	141
2017	3514	1609	96
2018	3718	1387	73
2019	3929	1453	81

¹ Total number of complaints received, including pursuable and non-pursuable cases.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)115****(Question Serial No. 0839)**

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the regulation of financial intermediaries by the Consumer Council, please inform this Committee of the following:

- a. The figures on the complaints by borrowers, cases involving unscrupulous intermediaries and the amount of money involved for the past 5 years;
- b. The number of cases referred to the Police or relevant departments for intervention for the past 5 years;
- c. The number of cases successfully resolved and with sum recovered for the past 5 years.

Asked by: Hon MAK Mei-kuen, Alice (LegCo internal reference no.: 20)

Reply:

The numbers of complaint cases on financial intermediaries received by the Consumer Council in the past five years are set out in the table below. The listed amounts involved are based on self-declared information provided by the complainants when lodging the complaints.

Year	Number of complaints received ¹	Amount involved	Number of cases referred to the Police or relevant departments	Number of cases successfully resolved and with sum recovered
2015	134	\$19,242,790	14	10
2016	37	\$4,060,570	7	2
2017	12	\$1,345,899	0	2

Year	Number of complaints received ¹	Amount involved	Number of cases referred to the Police or relevant departments	Number of cases successfully resolved and with sum recovered
2018	7	\$985,715	0	1
2019	16	\$1,290,955	0	0

¹ Total number of complaints received, including pursuable and non-pursuable cases.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)116

(Question Serial No. 2212)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2020-21, the Hong Kong Tourism Board (HKTB) will put efforts and resources in 20 key visitor source markets; prioritise marketing resources to areas of growth; and explore and cultivate potentials of new visitor source markets. Will the Government advise this Committee on:

- a. the information of the 20 key visitor source markets and the details of the promotional efforts;
- b. the details of the new visitor source markets;
- c. the detailed estimated expenditure for marketing in 2020-21 given that the HKTB will deploy 20% of the 80% of its total marketing budget to the Mainland market? Please list in the table below the estimated expenditure.

Target Cities/ Provinces/Regions	Marketing Content	Amount	Percentage Increase/Decrease over the Previous Year

- d. the statistics on the average length of stay of overnight visitors from different countries and their per capita spending over the past 3 years.

Asked by: Hon MO Claudia (LegCo internal reference no.: 41)

Reply:

The Hong Kong Tourism Board (HKTB) will focus its marketing resources on 20 key source markets, including the Mainland, Japan, Taiwan, South Korea, Singapore, the Philippines, Malaysia, Indonesia, Thailand, the US, Australia, the UK, Canada, Germany, France, India, Russia, the Gulf Cooperation Council (GCC) Markets, Vietnam and the Netherlands. These 20 markets together generate approximately 96% of all visitor arrivals to Hong Kong.

In 2020-21, HKTB's proposed budget (not yet included the additional funding) in the Mainland, short-haul markets, long-haul markets and new markets is as follows.

Markets	2019-20 Revised Estimates (including additional funding) (HK\$M)	2020-21 Proposed Budget (yet to include additional funding) (HK\$M)
The Mainland	22.6	30
Short-haul Markets	61	71
Long-haul Markets	30.4	39
New Markets	6.5	11.7
Total Marketing Budget for Source Markets	120.6	151.7

Remark: Owing to rounding, the total may differ from the sum of the individual figures.

HKTB is devising a detailed work plan for the proposed additional funding provided by the Government, with a certain part of resources invested in source markets. Once the epidemic subsides, HKTB will work with their trade partners on tactical promotions in short-haul markets to attract visitors to Hong Kong. As it will still take a relatively longer time for long-haul markets and new markets to recover, HKTB will first focus on public relations and digital marketing initiatives to restore visitor confidence in Hong Kong. Regarding the Mainland market, it will continue to focus on attracting overnight visitors and promotional resources will be allocated mainly to the non-Guangdong areas to promote Hong Kong's unique features and diversified offerings. As for other potential new source markets, HKTB will plan further based on the market situation. However, in view of the evolving development and uncertainty of the COVID-19 outbreak, HKTB will closely monitor the latest situation and make timely adjustment to the strategy. It will also optimise use of the funding for rolling out promotions which meet the market needs.

The average length of stay of overnight visitors and their per capita spending of the 20 key source markets in the past three years are as follows:

Markets	2017		2018		2019*	
	Length of stay (nights)	Per capita spending (HK\$)	Length of stay (nights)	Per capita spending (HK\$)	Length of stay (nights)	Per capita spending (HK\$)
Mainland China	3.1	\$7,010	3.0	\$7,029	3.3	\$5,990
Taiwan	2.7	\$4,758	2.7	\$5,233	2.9	\$4,812

Markets	2017		2018		2019*	
	Length of stay (nights)	Per capita spending (HK\$)	Length of stay (nights)	Per capita spending (HK\$)	Length of stay (nights)	Per capita spending (HK\$)
Japan	2.3	\$4,078	2.2	\$4,224	2.3	\$4,202
South Korea	2.2	\$3,908	2.2	\$4,454	2.4	\$4,330
Indonesia	3.3	\$5,759	3.3	\$5,868	3.3	\$5,315
Malaysia	3.4	\$5,406	3.4	\$5,670	3.4	\$5,551
Philippines	3.3	\$4,903	3.2	\$5,106	3.2	\$4,769
Singapore	3.3	\$6,342	3.3	\$6,538	3.3	\$6,255
Thailand	3.7	\$6,876	3.6	\$7,340	4.0	\$7,469
The US	3.7	\$6,181	3.6	\$6,531	3.7	\$6,181
Canada	4.5	\$5,790	4.2	\$5,390	4.5	\$5,772
The UK	4.5	\$6,115	4.4	\$6,826	4.5	\$6,300
Germany	3.5	\$4,753	3.5	\$5,523	3.4	\$4,873
France	4.3	\$5,464	4.2	\$6,096	4.3	\$5,202
Australia	3.8	\$6,592	3.8	\$6,926	3.8	\$6,308
India	4.0	\$5,051	4.0	\$6,003	4.1	\$5,881
The GCC Markets	4.4	\$8,153	4.3	\$8,786	4.1	\$8,372
Russia	3.5	\$6,829	3.3	\$8,049	3.3	\$7,084
The Netherlands	4.2	\$5,581	4.2	\$6,339	4.2	\$5,437
Vietnam	3.4	\$6,467	3.3	\$7,262	3.4	\$7,224
Total	3.2	\$6,443	3.1	\$6,614	3.3	\$5,820

Remarks: *2019 figures are provisional

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)117****(Question Serial No. 4404)**

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide information on the manpower establishment, and the estimated and actual annual expenditure of the Belt and Road Office (BRO) in the past 3 years, as well as its estimated expenditure for this year.
2. Is there any value-for-money audit or method for evaluating its work efficiency?
3. Please provide information on the actual work plan of the BRO in promoting the Belt and Road (B&R) Initiative and the expenditure involved for each plan in the past 3 years in the table below.

Work Plan	Details of the Plan	Estimated Expenditure	Actual Expenditure

4. How many times did the BRO communicate with the Central Government on B&R related policies and measures in the past 3 years?

Asked by: Hon MO Claudia (LegCo internal reference no.: 75)

Reply:

In the past three years, the Belt and Road Office (BRO) had been implementing programmes and measures, and in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative (B&RI) for enterprises and the professional services sector in Hong Kong. Such efforts include :

- organising a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing;

- co-organising the second to fourth editions of the Belt and Road Summit with the Hong Kong Trade Development Council (HKTDC) in September 2017, June 2018 and September 2019; staging a series of forums, sharing and business matching sessions during the period to facilitate enterprises in capturing Belt and Road (B&R) business opportunities;
- supporting the HKTDC to enhance its B&R Portal into a more comprehensive and up-to-date one-stop B&R platform, which came into operation in July 2019;
- organising and participating in a number of business and professional missions to B&R related countries and regions, thereby promoting Hong Kong's unique strengths, including the missions led by the Secretary for Commerce and Economic Development in March 2018, and March and November 2019 respectively to Vietnam and Cambodia, Georgia and Hungary, as well as Malaysia and Thailand; and
- maintaining direct communication and undertaking collaboration in various aspects with relevant Mainland authorities, such as :
 - following up on the implementation of the “Arrangement between the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong’s Full Participation in and Contribution to the Belt and Road Initiative” through convening the Belt and Road Joint Conferences in June 2018 and July 2019;
 - further promoting trade and economic co-operation between Hong Kong and the Mainland under B&RI through convening the high-level meetings of the Mainland and Hong Kong Belt and Road Task Group in December 2018 and November 2019; and
 - launching a Policy Exchange and Capacity Building Programme in December 2019 to strengthen our collaboration in areas including capacity building.

The HKSAR Government from time to time reviews its work in taking forward B&RI at the policy and government levels, in collaborating with stakeholders, as well as in establishing collaborative platforms for enterprises and the professional services sector. The above-mentioned work is being taken forward by the BRO as part of its overall efforts in promoting Hong Kong's participation in B&RI, and cannot be quantified separately. The estimated overall expenditure of the BRO for 2020-21 is about \$39.958 million. In the past three years, the BRO's establishment, estimated overall expenditure and actual expenditure are as follows :

Year	Establishment	Estimated Overall Expenditure	Actual Expenditure
2017-18	16	\$35.038 million	\$13.968 million
2018-19	19	\$39.137 million	\$20.196 million
2019-20	20	\$39.958 million	\$24.440 million*

*Anticipated overall expenditure

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)118

(Question Serial No. 4429)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Earlier on, Hongkong Post (HKP) planned to cover the British crown markings and royal ciphers on existing posting boxes. Since the plan met with strong opposition from the public, the Government decided to review it. Last year, the Government stated that "we do not consider it necessary to change the markings or ciphers on the existing old posting boxes". In this connection, please advise this Committee of the following:

1. What is HKP's latest plan or proposal?
2. Will any new proposal be subject to public consultation prior to implementation?

Asked by: Hon MO Claudia (LegCo internal reference no.: 101)

Reply:

Hongkong Post does not have any plan to change the markings and ciphers on the existing old posting boxes.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)119

(Question Serial No. 6048)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Commerce and Economic Development Bureau (CEDB) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that the CEDB obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that the CEDB obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that the CEDB obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that the CEDB obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that the CEDB obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

- g. Please set out the quantity, value, stock and consumption of goggles that the CEDB obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Consumption

- h. Did the CEDB supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

- i. If the CEDB is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 137)

Reply:

In the past three years, the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) obtained surgical masks produced by the Correctional Services Department, N95 masks, face shields and goggles from the Government Logistics Department (GLD). We also procured surgical masks from the market for staff use, but we have not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (PPE) around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

CITB did not supply or sell any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)120

(Question Serial No. 6765)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The latest survey conducted by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University of Hong Kong revealed that around 60% of citizens surveyed opined that the number of Mainland visitors under the Individual Visit Scheme already exceeded Hong Kong's receiving capacity. Will the Government review the prevailing policies and tighten the "one trip per week" measure?

Asked by: Hon MO Claudia (LegCo internal reference no.: 19)

Reply:

The implementation of the "one trip per week" measure has effectively lowered the number of visits made by persons travelling to Hong Kong multiple times within one week or even one day. The Tourism Commission will continue to closely monitor the travel patterns of Mainland visitors but has no plan to invite the Mainland authorities to review the "one trip per week" policy.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3615)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund (EMF) will be enhanced to provide additional support to local enterprises, including (1) injecting \$2 billion into the BUD Fund and extending its geographical coverage to economies with which Hong Kong has signed Free Trade Agreements (FTAs), as well as doubling the cumulative funding ceiling to \$4 million per enterprise; and (2) injecting \$1 billion into the EMF and doubling the cumulative funding ceiling to \$800,000 per enterprise. In this regard, please advise this Committee of the following:

- (1) the number of applications received and approved, as well as the average and total amount of funding approved under the two funds in the past 3 years, with breakdown by the major business of the applicant enterprise and category of the product/service/project applying for funding support; the market the applicant enterprises seek to develop, with a breakdown of both figures and percentages; and the top 10 sectors that are the most benefitted;
- (2) the number of applications rejected with a breakdown by reason, and the success rate of application in the past 3 years;
- (3) the average number of working days required from submission of an application to approval of the application in the past 3 years;
- (4) the average number of working days required from submission of an application through ESP Easy to approval of the application since the introduction of ESP Easy;
- (5) the additional expenditure and manpower involved, as well as the expected major target markets of applicants with regard to the extension of the geographical coverage of the BUD Fund to economies with which Hong Kong has signed FTAs; and

(6) the methods for assessing the operational effectiveness of the BUD Fund apart from conducting questionnaire surveys.

Asked by: Hon MOK Charles Peter (LegCo internal reference no.: 132)

Reply:

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

The statistics on the BUD Fund in the past 3 years are as follows:

	2017	2018	2019
Number of applications received ^{Note 1}	578	1 082	1 721
Number of applications approved	343	481	736
Number of applications rejected	84	101	414
Amount of grants approved (\$)	123.1 million	218.2 million	429 million
Average amount of grants (\$)	0.36 million	0.45 million	0.58 million
Success rate ^{Note 2}	80.3%	82.6%	64.0% ^{Note 3}
Major beneficiary sectors	<ul style="list-style-type: none"> • Wholesale and Retail • Import and Export Trade • Textiles and Clothing • Electronics • Plastics • Metal Products • Electrical Appliances • Transportation and Logistics • Information Technology • Food Manufacturing 	<ul style="list-style-type: none"> • Wholesale and Retail • Import and Export Trade • Textiles and Clothing • Electronics • Information Technology • Electrical Appliances • Printing and Publishing • Transportation and Logistics • Metal Products • Food Manufacturing • Watches and Clocks • Chemical and Biotechnology • Jewellery 	<ul style="list-style-type: none"> • Wholesale and Retail • Import and Export Trade • Information Technology • Textiles and Clothing • Electrical Appliances • Electronics • Metal Products • Advertisement, Sales and Marketing • Industrial Machinery • Food Manufacturing • Printing and Publishing

- Note 1: Applications received in a year may not be processed in the same year. The figures also include those applications withdrawn thereafter.
- Note 2: Success rate is the percentage of applications approved over the sum of applications approved and rejected in the same year.
- Note 3: In the third quarter of 2019, due to a higher number of enterprises' failure to provide the required information, demonstrate their capability in implementing the projects effectively, or provide concrete details on the project implementation, the overall success rate in 2019 was lower than in 2017 and 2018. The Hong Kong Productivity Council, as the BUD Fund's Secretariat, has reminded the applicant enterprises of the areas on the application requiring attention, and the success rate in the fourth quarter of 2019 has increased over the third quarter.

Under the Mainland Programme of the BUD Fund, enterprises mainly make use of the approved projects to develop the Mainland market holistically, or tap the markets in major provinces and cities such as Shanghai, Shenzhen, Beijing, Guangdong province, Zhejiang province, Sichuan province and Jiangsu province, etc. Under the Association of Southeast Asian Nations (ASEAN) Programme, enterprises mainly make use of the approved projects to develop the markets in Singapore, Malaysia, Thailand, Vietnam, Indonesia and the Philippines, etc. As the geographical coverage of the BUD Fund has been extended in January 2020 to include all economies which have signed Free Trade Agreements with Hong Kong, enterprises have also started to tap other markets such as Macao, Australia, Switzerland, New Zealand and Norway, etc.

Applications under the BUD Fund were rejected mainly due to the applicant enterprises' failure to illustrate how the project measures could assist their business development in the Mainland/ASEAN markets, meet the eligibility requirements, demonstrate their capability in implementing the projects effectively, or provide concrete details in the projects, etc. For the rejected applications, the Secretariat would inform the applicant enterprises of the reasons of rejection, and remind them of the areas requiring attention or improvement if they are to submit applications again.

To ensure service performance, since 2017, the Trade and Industry Department's (TID) has included a target on the time required for processing the BUD Fund's applications in TID's Controlling Officers' Report. Since then, all applications could be passed to the Programme Management Committee for consideration within 60 working days. Furthermore, since October 2019, in order to expedite the vetting process, the BUD Fund's Secretariat has been processing applications received thereafter on a continual basis instead of by batches on a quarterly basis. All applications could be processed within 60 working days by the Secretariat, provided that the applicant has submitted all the required information at the time of application.

The total expenditure for the BUD Fund in 2020-21 is estimated to be \$592 million. With regard to posts, TID will have a net increase of 4 civil service posts (including Trade Officer Grade and Clerical Grade) in 2020-21 under TID's Programme (3) ("Support for Small and Medium Enterprises and Industries") to assist in processing applications under the BUD Fund and the SME Export Marketing Fund (EMF) to meet the ongoing operational needs. The expenditure of the above posts has been subsumed under the overall expenditure of TID, and cannot be quantified separately.

Up to the end of February 2020, 837 projects were completed under the BUD Fund. According to the findings of the project completion surveys, around 99% of the responding enterprises consider the BUD Fund effective in assisting their business development. Enterprises also generally considered that the projects helped enhance the awareness of their brands, improve product quality, develop new products, establish sales networks, enhance their overall competitiveness and increase sales turnover. Apart from conducting surveys, the Government has also been maintaining close liaison with the trade through various channels to listen to the trade's views and suggestions on the effectiveness of the BUD Fund.

The EMF

The statistics on the EMF in the past 3 years are as follows:

	2017	2018	2019
Number of applications received ^{Note 1}	10 895	11 757	16 246
Number of applications approved	8 532	9 025	11 919
Number of applications rejected	2 272	1 939	2 341
Amount of grants approved (\$)	135.4 million	167.1 million	299 million
Average amount of grants (\$)	15,900	18,500	25,100
Success rate ^{Note 2}	79.0%	82.3%	83.6%
Major beneficiary sectors	<ul style="list-style-type: none"> • Import and Export Trade • Wholesale and Retail • Textiles and Clothing • Electronics • Watches and Clocks • Jewellery • Toys • Transportation and Logistics • Information Technology • Metal Products 	<ul style="list-style-type: none"> • Import and Export Trade • Wholesale and Retail • Electronics • Jewellery • Watches and Clocks • Textiles and Clothing • Toys • Information Technology • Metal Products • Transportation and Logistics 	<ul style="list-style-type: none"> • Import and Export Trade • Wholesale and Retail • Jewellery • Electronics • Watches and Clocks • Textiles and Clothing • Toys • Information Technology • Metal Products • Printing and Publishing

Note 1: Applications received in a year may not be processed in the same year. The figures also include those applications withdrawn thereafter.

Note 2: Success rate is the percentage of applications approved over the sum of applications approved and rejected in the same year.

There is no geographical restriction for applications under the EMF. As funded export promotion activities (such as exhibitions and online platforms) may explore worldwide markets, information on the individual markets SMEs choose to develop cannot be compiled.

The main reason for rejecting applications under the EMF is because applicant enterprises participated in activities falling outside the funding scope.

All applications received under the EMF were processed within 30 working days as stated in the performance pledges, provided that the applicant has submitted all the required information at the time of application.

Parts (4), (5) and (6) of the question are not relevant to the EMF.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)122

(Question Serial No. 3712)

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

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of the public relations expenditure of government departments, please inform this Committee of the following:

- (1) the total expenditure and details of publishing advertisements, sponsored content or advertorials in newspapers registered under the Registration of Local Newspapers Ordinance by your department in the past year:

Date of publishing (Day/ Month/ Year)	Status (one-off/ ongoing/ done) (as at 29 February 2020)	Government or public organisation (including bureau/ department/ public organisation/ government advisory body)	Name and purpose of advertise- ment	Name of media organisa- tion and newspaper	Frequency (as at 29 February 2020)	Expenditure (as at 29 February 2020)

- (2) the expenditure and details of sponsoring local free-to-air television stations, pay television stations and radio stations to provide information and produce programmes or materials by your department in the past year:

Date of broadcast (Day/ Month/ Year)	Status (one-off/ ongoing/ done) (as at 29 February 2020)	Government or public organisation (including bureau/ department/ public organisation/ government advisory body)	Name and purpose of advertise- ment	Media organisa- tion	Frequency (as at 29 February 2020)	Expenditure (as at 29 February 2020)

- (3) the media organisations which published or broadcast advertisements/sponsored content of your department in the past year, as well as the frequency and total expenditure involved (in descending order):

Name of media organisation	Frequency	Total expenditure (\$)

- (4) the websites/network platforms on which your department published online advertisements/sponsored content in the past year, as well as the frequency, duration (days) and total expenditure involved (tabulated in descending order):

Website/ network platform	Content of advertisement	Frequency	Duration (days)	Hit rate, frequency of exposure and number of viewers	Total expenditure (\$)

- (5) the frequency, duration (days) and total expenditure involved in live webcast by your department on network platforms in the past year (tabulated in descending order):

Website/ network platform	Title of live webcast	Frequency	Duration (days)	Hit rate, frequency of exposure and number of viewers	Total expenditure (\$)

Asked by: Hon MOK Charles Peter (LegCo internal reference no.: 150)

Reply:

The total expenditure and details of the advertisements, sponsored content or advertorials in newspapers registered under the Registration of Local Newspapers Ordinance as published by the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau (CEDB) in 2019-20 are listed below:

Date of publishing (Day/ Month/ Year)	Status (one-off/ ongoing/ done) (as at 29 February 2020)	Government or public organisation (including bureau/ department/ public organisation/ government advisory body)	Name and purpose of advertise- ment	Name of media organisa- tion and newspaper	Frequency in terms of number of times (as at 29 February 2020)	Expenditure (as at 29 February 2020) (\$)
2019: 12 July 19 July 2 Aug 9 Aug 2020: 3 Jan 10 Jan 17 Jan 24 Jan	Done	CEDB	To promote a positive image of the retail industry and encourage interested persons to join the industry	Sing Tao News Corporation Limited – JobMarket	8	44,810
2019: 12 July 19 July 2 Aug 9 Aug 2020: 3 Jan 10 Jan 17 Jan 24 Jan	Done	CEDB	To promote a positive image of the retail industry and encourage interested persons to join the industry	South China Morning Post Publishers Limited – Recruit	8	34,540

In 2019-20, CITB did not incur any expenditure on sponsoring local free-to-air television stations, pay television stations and radio stations to provide information and produce programmes or materials.

For online advertisements/sponsored content published or live webcast conducted by CITB on websites/network platforms in 2019-20, the details, frequency and total expenditure are listed below:

Website/ network platform	Content of advertisement/ Title of live webcast	Frequency in terms of number of times	Duration (days)	Hit rate, frequency of exposure and number of viewers	Total expenditure (\$)
Facebook and Instagram	To promote the content of the “Retail Has It All” Facebook page and Instagram account (Boosting posts)	158	Throughout the year with an average of about 6 days per post	Hit rate (average per post): 1.74% Frequency of exposure (average per post): 11 906 Number of viewers (average per post): 8 218	98,985
Facebook	To promote the Earn & Learn Pilot Scheme for the Retail Industry (Boosting post)	1	90 days	Hit rate: 1.49% Frequency of exposure: 671 424	26,000
YouTube	To support TV APIs “Retail Has It All (Diversity)” and “Retail Has It All”	1	76 days	Frequency of exposure: 191 860	7,000

Website/ network platform	Content of advertisement/ Title of live webcast	Frequency in terms of number of times	Duration (days)	Hit rate, frequency of exposure and number of viewers	Total expenditure (\$)
Hong Kong Federation of Youth Club (Study Planning Centre)	To promote the Earn & Learn Pilot Scheme for the Retail Industry	1	56 days	Frequency of exposure: The advertisement was continuously displayed during the period.	6,600
Dedicated Facebook account of the CEDB	Edward Yau to discuss with you on economy (live webcast)	1	1	Views: 8 536 Reach: 28 528	The related work was taken up by the existing staff and no additional cost was incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)123

(Question Serial No. 0272)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2020-21, the Commerce, Industry and Tourism Branch will have discussions with major trading partners like the Mainland, Taiwan, and ASEAN on enhancing economic co-operation, and strengthen efforts to promote the business advantages of Hong Kong as well as to attract more multinational companies to set up operations and regional headquarters in Hong Kong. Please advise this Committee of the total expenditure involved in the relevant work in the past 5 years and the overall effectiveness. How much provision will be made for the above work in the coming year? Which regions, does the Government have in mind, are of greater development potential and will be targeted for strengthening promotion and publicity efforts? Please set out the figures and work progress in respect of each region in table form.

Asked by: Hon NG Wing-ka (LegCo internal reference no.: 52)

Reply:

In 2015-16 to 2018-19, the total actual expenditure of Invest Hong Kong (“InvestHK”) on investment promotion work in the Mainland, Taiwan and the Association of Southeast Asian Nations (“ASEAN”) was \$32.2 million, and the revised estimated expenditure in 2019-20 is \$8.5 million. The figures do not include staff cost or general marketing and administrative overhead expenses which cannot be quantified separately.

The number of projects completed is a key performance indicator for InvestHK to assess the effectiveness of its investment promotion work. In the past five years (2015-2019), InvestHK’s efforts generated a total of 467, 74 and 107 completed projects from the Mainland, Taiwan and ASEAN respectively, accounting for about 30% of the Department’s total. The breakdown is as follows :

Year	Number of projects completed ^{Note}					
	2015	2016	2017	2018	2019	Total
Mainland	78	82	86	101	120	467
Taiwan	11	18	13	16	16	74
ASEAN	14	19	23	22	29	107

Note: “Projects completed” cover those overseas, Mainland or Taiwan companies which set up or undergone significant expansion in Hong Kong with the assistance of InvestHK.

The Mainland, a key engine of global economic growth, is a key market of InvestHK to attract investment. InvestHK will continue to step up its promotion efforts in attracting more Mainland companies to invest in Hong Kong as well as promoting Hong Kong’s role as an ideal platform for Mainland companies to “go global”. These investment promotion efforts include organising investment promotion seminars in various Mainland cities, and strengthening InvestHK’s digital marketing and social media strategy for the Mainland market.

InvestHK also plans to conduct a series of investment promotion visits and events in target markets including Canada, Europe, India, the Middle East, Southeast Asia and the United States to underline Hong Kong’s business advantages and to attract more companies to set up businesses in Hong Kong. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion. With the establishment of its Investment Promotion Unit in Jakarta in 2018 and the one in Bangkok in late 2019, InvestHK will further strengthen its investment promotion effort in the ASEAN market.

The estimated expenditure of InvestHK on investment promotion work in 2020-21 is about \$52 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)124

(Question Serial No. 0281)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 76 of the Budget Speech that the Government has set aside \$5 billion for the redevelopment of the Air Mail Centre at the Hong Kong International Airport to foster cross-border logistics and trading activities and grasp business opportunities in electronic commerce. Regarding the staff establishment, will the Bureau advise the staff establishment and estimated expenditure involved in the relevant preparatory work?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 55)

Reply:

The Commerce and Economic Development Bureau (CEDB) is responsible for monitoring Hongkong Post's (HKP) Air Mail Centre (AMC) redevelopment project. The work is covered by CEDB's existing manpower, and there is no separate staff establishment and estimated expenditure. On the other hand, HKP has established a dedicated team responsible for mega postal infrastructure including the AMC redevelopment project and reprovisioning of the General Post Office Building through redeploying internal resources.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)125

(Question Serial No. 0283)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2020-21, the Commerce, Industry and Tourism Branch will carry out preparatory work for setting up 4 new Economic and Trade Offices (ETOs) in Dubai (United Arab Emirates), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively. Will the Bureau advise on the staff establishment and estimated expenditure involved in the relevant preparatory work? Given that the novel coronavirus epidemic is raging in many countries, with South Korea being the hardest hit, has the preparatory work been affected? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 57)

Reply:

The ETO Policy Division (the Division) under the Commerce, Industry and Tourism Branch is responsible for formulating strategy in expanding the network of overseas Hong Kong Economic and Trade Offices (ETOs). The setting up the Dubai ETO is in good progress and we will continue with the related preparatory work. We will also follow up on proposals on setting up other new ETOs.

Starting from 2019-20, the preparatory work for setting up the new ETOs is taken up by the ETO Policy Division. The Division is headed by an Administrative Officer Staff Grade C (D2) officer, supported by an Administrative Officer, a Senior Executive Officer and a Personal Secretary I. The Division's work includes discussing with the respective host governments (including their Consuls General in Hong Kong) on the detailed arrangements of setting up the ETOs, seeking approval from the Legislative Council for the creation of the relevant posts and the required funding, etc.

Apart from the preparatory work for setting up the new ETOs, the Division also formulates strategies and plans on expanding the ETO network and enhancing ETOs' functions, coordinates ETOs' inputs to requests from various bureaux/departments on matters under their respective policy responsibilities, etc.

The annual recurrent cost (including personal emoluments and other operating expenses) of the Division is around \$5,517,000.

The Division will continue to discuss with the relevant governments on the detailed arrangements of setting the new ETOs through various channels, including closely liaising with the relevant ministries in those countries and their Consuls-General in Hong Kong. We would also give due regard to the responses from the respective countries in view of their specific circumstances and considerations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)126

(Question Serial No. 0284)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (TDC) has been supporting the Government to implement its policy on the Belt and Road Initiative by further tapping into ASEAN markets and helping Hong Kong companies develop service and consumer markets targeting regions along the Belt and Road. In this connection, what are the total expenditure involved and the overall effectiveness of the above work over the past 5 years? How much provision will be made for such work in the coming 5 years? Please tabulate by region along the Belt and Road the expenditure involved in enhancing publicity and promotion in the coming year. How much manpower will be deployed by TDC on the above publicity and promotion work in the coming 5 years?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 59)

Reply:

In the past five years, the Hong Kong Trade Development Council (TDC) organised a variety of events to help Hong Kong companies tap opportunities under the Belt and Road Initiative. Among them, to establish Hong Kong as the information hub of the Belt and Road Initiative, TDC launched the *Belt and Road Portal* in December 2015. Furthermore, since 2016, the Government and TDC co-organised the *Belt and Road Summit* every year. The fourth Summit held last year attracted over 5 000 government officials and business leaders from about 70 countries and regions, with over 240 investment projects featured and over 700 one-to-one business matching meetings arranged. To help consolidate Hong Kong's market status and its role as the commercial hub of the Belt and Road Initiative, TDC set up the Belt and Road Committee in 2017. In light of the opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, the Belt and Road Committee was restructured as the Belt and Road & Greater Bay Area Committee in October 2019, and three task forces were set up to concentrate on opportunities for Hong Kong arising from the development of overseas

industrial parks, smart city, digital connectivity and start-ups. In June 2018, TDC set up the *Belt and Road International Forum* with a membership of over 140 organisations in over 30 countries and regions. Furthermore, TDC organised various missions and large-scale campaigns in major business centres to tap opportunities along the Belt and Road.

In 2020-21, TDC will continue to promote the Belt and Road Initiative through organising various events, including co-organising with the Government the fifth *Belt and Road Summit*, which will be a two-day anchor event of the *Belt and Road Week*; continuing expansion of the *Belt and Road Global Forum*; enriching the content of the *Belt and Road Portal*; and staging large-scale promotional events in countries along the Belt and Road to help Hong Kong companies seize new opportunities. Furthermore, TDC will organise missions for specific sectors to countries along the Belt and Road, so that Hong Kong companies can obtain first-hand understanding of the investment environment and business opportunities.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)127

(Question Serial No. 0285)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has been making efforts in district tourism promotion in recent years to drive visitors to explore Hong Kong's local living culture and districts' characteristics. Following the launch of the "Old Town Central" campaign, the Hong Kong Tourism Board (HKTB) again rolled out the "Hong Kong Neighbourhoods – Sham Shui Po" campaign last year with a budget of about \$12 million to highlight the attractions of Sham Shui Po for visitors. Has the HKTB identified other suitable districts at this stage for an extension of this type of tourism project to other districts rich in local characteristics? If yes, what are the relevant timetable and estimated expenditure?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 62)

Reply:

The Hong Kong Tourism Board (HKTB) has rolled out "Hong Kong Neighbourhoods" campaign since 2017. The campaign so far recommended "Old Town Central" and "Sham Shui Po" districts to promote the city's neighbourhoods apart from conventional tourist spots in order to extend visitors' length of stay and broaden their footprint in Hong Kong. The campaign has been well received by visitors and travel trade; and local residents and shop operators acknowledged that the campaign has brought impetus to the local economy.

For the additional funding proposed to allocate to HKTB by the Government in 2020-21, about \$24 million will be allocated for the promotion of local district appeals, which includes sustaining the promotion of "Old Town Central" and "Sham Shui Po" districts as well as other districts rich in local characteristics under the framework of the "Hong Kong Neighbourhoods". HKTB is currently conducting research on the next round of "Hong Kong Neighbourhoods" campaign. At the moment, a decision has yet to be made on the district to be promoted and the relevant timetable.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)128

(Question Serial No. 0286)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the matters requiring the special attention of the Hong Kong Tourism Board in 2020-21 is to reinforce Hong Kong's position as a leading cruise hub in the region. This, however, has not been mentioned in the Budget. Regarding the development of the cruise terminal, will the Government inform this Committee of the following:

1) Will additional financial resources be allocated to the terminal building, berths and ancillary facilities of the cruise terminal? What is the estimated expenditure involved? Please provide a breakdown of specific expenditure items and the manpower involved;

2) What were the total numbers of cruise vessels berthed at the cruise terminal in each of the past 5 years? What were their percentages in relation to the total utilisation, and whether the original target had been met;

3) Since the commissioning of the cruise terminal in 2013, its popularity has always been questioned. The Director of Audit's report also pointed out that more than half of the commercial area of the cruise terminal was not let out. What specific targeted measures does the Government have in place to lower the vacancy rate of shops?

4) What are the staff establishment and estimated expenditure involved in promoting fly-cruise tourism and rail-cruise tourism, as well as in expanding the Asia Cruise Cooperation network in the coming year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 64)

Reply:

The Kai Tak Cruise Terminal (KTCT) has been commissioned for only a few years since 2013 and there is no need for additional resources for carrying out large-scale works for the terminal building, its berths and ancillary facilities at the moment. However, we are

improving the facilities of the terminal building in response to the feedback from the cruise trade and other users. For example, we are planning the expansion of VIP room to enhance passengers' experiences. We have completed the relevant design and is arranging the works. The cost of the works concerned will be covered by the Block Allocations for Minor Building Works/Slope not exceeding \$2M under the Architectural Services Department.

The number of ship calls at KTCT in the past 5 years is tabulated as follows-

Year	Number of ship calls
2015	56
2016	95
2017	186
2018	170
2019	175

The commissioning of the KTCT has also driven the steady growth of cruise tourism figures (including the number of ship calls and cruise passenger throughput) of Hong Kong as a whole. Between 2013 and 2019, the total number of ship calls per year in Hong Kong as a whole has increased from 89 to 218 (an increase of 145%); and the total passenger throughput per year has increased from around 200 000 to over 900 000 (an increase of 373%). Back in the earlier years when the Government was considering the construction of the KTCT, the Government projected that the number of ship calls and cruise passenger throughput in Hong Kong as a whole would range from 181 to 258 and from 564 102 to 1 041 031 respectively by 2023. In other words, from 2017 onwards, the number of ship calls and cruise passenger throughput in Hong Kong as a whole have both achieved the then projected performance by 2023.

The usage situation of the ancillary commercial areas of the KTCT in the past 3 years is tabulated as follows –

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

Note: One merchant has ceased operation due to its own operational issues.

In order to utilise the space within the KTCT in a more flexible manner with a view to increasing the attractiveness of the ancillary areas of the KTCT, we have been encouraging the sub-tenants to make good use of the communal areas of the KTCT, e.g. by allowing the use of the outdoor communal area as a side venue for wedding banquets held in a restaurant

in the adjacent commercial area. On the other hand, the terminal operator has also arranged the setting up of small-scale pop-up stores at the passenger waiting halls during the days with ship calls for selling souvenirs and drinks, with a view to putting the space of the KTCT to better use while at the same time bringing convenience to the visitors.

The COVID-19 outbreak has hard hit the cruise tourism industry of the world as a whole. Hong Kong Tourism Board (HKTB) will closely monitor market development. Having taken into account multiple factors, including the COVID-19 outbreak in Hong Kong and other source markets, the operational arrangements of cruise terminals in the region, and cruise lines' plans to resume itineraries in Asia, etc, HKTB will roll out promotions tailored for the specific circumstances of different markets to restore consumer confidence for cruise tourism. At the same time, we will also strengthen support to the trade in attracting cruise lines to deploy ship calls to Hong Kong and step up our partnership with cruise lines for promotions in Hong Kong and various source markets. Moreover, we will actively cultivate new visitor segments to drive the recovery of cruise tourism.

The total budget for HKTB's head and worldwide offices on cruise tourism in 2020-21 is around HK\$36 million, which includes HKTB's proposed marketing budget and relevant additional funding.

The work of promoting "fly-cruise", "Express Rail Link and cruise" and Asia Cruise Cooperation will be adjusted according to market situation and absorbed by existing establishment and expenditure, which can hardly be quantified. Having regard to the impact of the COVID-19 outbreak, HKTB will continuously review the budget sum and investment strategy, and make optimal use of the funding according to the actual situation and adjust the estimate if necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)129

(Question Serial No. 0416)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to a press release issued by the HKMC Insurance Limited, it will roll out the special 100 per cent Loan Guarantee under the SME Financing Guarantee Scheme mentioned in the Budget speech within one month after the Government obtains approval of funding from the Finance Committee. However, it may be subject to prolonged delay before it can be implemented if it is considered on order of business given the number of outstanding items for consideration of the Finance Committee. What is the plan of the Government to launch the "special loan" scheme as soon as possible? For example, will the order of agenda items be rearranged to allow early scrutiny of the Finance Committee?

Asked by: Hon NG Wing-ka (LegCo internal reference no.: 21)

Reply:

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS), for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion.

The Government and the HKMC Insurance Limited which administers the SFGS, are working full throttle on the related preparation, and have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)130

(Question Serial No. 0531)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To maintain Hong Kong's competitiveness as a trading and logistics hub and to align with the international trend, the Government announced in the Budget last year that a Trade Single Window (TSW) would be set up as a one-stop electronic platform for the trading community to submit to the Government trade documents required for all trade declaration and customs clearance purposes. Has the Government estimated the amount of annual savings in administrative costs for the relevant sectors such as logistics, retail and import and export upon the full and mandatory implementation of TSW?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 74)

Reply:

The Government is pressing ahead with the development of the Trade Single Window (TSW) for one-stop lodging of all the 50-plus Business-to-Government trade documents with the Government for trade declaration and customs clearance purposes.

The TSW would save time and cost of the trading community as the trade will no longer need to approach different government agencies individually and can lodge and collect import and export trade documents electronically round the clock through a centralised platform. Under the TSW system, data can be reused more conveniently, thus minimising data input effort and errors. The trade can also check the status of their applications and the submitted information through the centralised TSW platform anytime.

In addition, upon full implementation of the TSW, cargo hold-ups during clearance (because of insufficient cargo information) is expected to be minimised, thus bringing a smoother cargo clearance and enhancing the overall cargo flow. Furthermore, if the existing submission requirements of pre-shipment and post-shipment cargo information could be

streamlined or rationalised, it would also further save time and cost of the trading community.

TSW is being implemented in three phases. Phase 1 was launched in December 2018 and provides voluntary e-services which currently cover 12 types of import and export trade documents for specific controlled products. Phase 2 will extend the platform to another 28 types of trade documents. We already obtained support from the Legislative Council Panel on Commerce and Industry (LegCo Panel) in December 2019 for the funding proposal required for Phase 2 and will seek funding approval from the LegCo Finance Committee in due course, with a view to rolling out Phase 2 by batches in 2023 the earliest as a voluntary e-option for the trade. It is estimated that the implementation of Phase 2 will bring about notional savings of about \$45 million per annum for the trade as and when the trade documents covered by Phase 2 are all submitted via TSW.

We are also making preparations for the implementation of Phase 3 in parallel. As we indicated when reporting the latest progress to the LegCo Panel in December 2019, we are, in view of the trade's concerns, reviewing the relevant implementation proposal to ensure that the submission requirements for documents covered by Phase 3 of the TSW project could strive to minimise the burden on the trade, rather than bringing them additional compliance cost. In this regard, we are now actively exploring ways to encourage the trade to submit pre-shipment cargo information for air exports by way of voluntary arrangements through the TSW. The quantum of administrative cost savings that Phase 3 could bring to the trade would be estimated in the relevant feasibility studies on system design.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)131

(Question Serial No. 2839)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 81 of the Budget Speech that the Government will allocate an additional funding of \$150 million to the Trade Development Council (TDC) for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations. Is there a timetable for the above initiatives? Has the COVID-19 disrupted TDC's planning? If yes, what are the details? What are the estimated manpower establishment and expenditures to be involved in the coming 3 years?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 68)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local

events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)132

(Question Serial No. 2840)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the response towards the Food Truck Pilot Scheme is less than satisfactory, some food truck operators have quitted the Scheme owing to operation difficulties or other reasons. Will the Government set aside and allocate more resources in 2020-21 for further promotion or refinement of the Scheme? If yes, what are the details and estimated expenditure? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 58)

Reply:

The Food Truck Pilot Scheme (the Scheme) has been extended for 2 more years starting from 3 February 2019. The Government has earmarked \$5.736 million (including operating and personnel-related expenses) in 2020-21 for running the Scheme. The Tourism Commission (TC) will continue to communicate with food truck operators to facilitate their operation and to look for other new operating venues (such as Jockey Club HKFA Football Training Centre newly launched in November 2019). Also, TC will explore with venue management any helping measures to facilitate the food truck operation and launch other refinement measures. TC also encourages food truck operators to make use of different social media platforms to publicise their food trucks and food products so as to build up their own branding. The manpower and expenditure on the implementation and publicity of the Scheme have subsumed within the establishment and provision of the Food Truck Office which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)133

(Question Serial No. 2841)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In view of the growing popularity of in-depth local tourism around the world, we must train a substantial number of members of the tourism industry (especially tourist guides and tour escorts) to gain a profound understanding of local history, culture, heritage and other related aspects if Hong Kong is to develop its own characteristic local tourism. Will the Bureau consider increasing the funds allocated to and estimated expenditure for the Travel Industry Council (TIC) of Hong Kong to provide funding support for the training of members of the tourism industry in relevant areas, as well as offering more related courses through the Employees Retraining Board (ERT), so that industry members can more professionally introduce tourists to local cultural characteristics and thus help to enhance the overall service quality of our tourism industry? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 61)

Reply:

From 2017-18 onwards, the Government allocated funding to the Travel Industry Council of Hong Kong (TIC) to subsidise training joined by travel trade practitioners. The Government further allocated funding to the TIC for expanding the Training Programme Subsidy Scheme in October 2019 to subsidise tourist guides in completing the Continuing Professional Development Scheme for renewing their passes, and each tourist guide can receive subsidy up to \$1,000. The Government suggests in the 2020-21 Budget allocating additional funding of \$8 million from 2020-21 to 2021-22 for the TIC to enhance training of the trade, including developing e-learning. The training can cover various topics including culture, heritage, history, etc. The Government and the TIC will start preparations, including working out the details of training initiatives.

Furthermore, the Employees Retraining Board (ERB) welcomes the trade to reflect their views and requirements so as to offer suitable courses. In 2020-21, the ERB will offer

11 tourism-related courses, such as “Certificate in Eco-Tour (Geopark Volcanic Rock Landscape) (Part time)” and “Foundation Certificate in Customer Services in Tourism Industry (Effective Communication) (Part-time)”.

To take forward the implementation of the Qualifications Framework for the travel industry, the Education Bureau established the Travel Industry Training Advisory Committee in 2018. The Committee is drawing up the Specification of Competency Standards for the industry, which will set out the knowledge, skills and competency standards required of practitioners in various job functions of the industry to facilitate relevant organisations’ development of courses that suit the industry’s needs, as well as to serve as a useful reference for employers to develop in-house training and human resource management functions. It is expected that the Committee will finish drawing up the Specification of Competency Standards in 2021.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)134

(Question Serial No. 2843)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2020-21, the Government will endeavour to uphold Hong Kong's standing as a preferred tourism destination and put additional resources in 20 key visitor source markets and prioritising marketing resources to areas of growth. What is the staff establishment and estimated expenditure involved for this plan and the details of allocation? As Hong Kong is facing persistent social unrest compounded by the novel coronavirus epidemic, has the Government any new marketing plan? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 73)

Reply:

The Hong Kong Tourism Board (HKTB) will focus its marketing resources on 20 key markets, including the Mainland, Japan, Taiwan, South Korea, Singapore, the Philippines, Malaysia, Indonesia, Thailand, the US, Australia, the UK, Canada, Germany, France, India, Russia, the Gulf Cooperation Council (GCC) Markets, Vietnam and the Netherlands. These 20 markets together generate approximately 96% of all visitor arrivals to Hong Kong.

HKTB's proposed budget in key source markets (excluding the additional funding) in 2020-21 are listed below:

(HK\$ M)	2020-21 Proposed Budget (percentage of overall marketing budget)
<i>The Mainland</i>	30.0 (19.8%)
South China	6.0 (4.0%)
<i>Non-Guangdong</i>	3.6 (2.4%)
<i>Guangdong</i>	2.4 (1.6%)
Central China	9.0 (5.9%)
East China	6.0 (4.0%)
North China	9.0 (5.9%)
<i>Short-haul Markets</i>	71.0 (46.8%)
Japan	12.0 (7.9%)
Taiwan	12.0 (7.9%)
South Korea	12.0 (7.9%)
Singapore	4.0 (2.6%)
The Philippines	8.0 (5.3%)
Malaysia	7.0 (4.6%)
Indonesia	7.0 (4.6%)
Thailand	9.0 (5.9%)
<i>Long-haul Markets</i>	39.0 (25.7%)
The US	12.0 (7.9%)
Australia	8.0 (5.3%)
The UK	8.0 (5.3%)
Canada	4.0 (2.6%)
Germany	4.5 (3.0%)
France	2.5 (1.6%)
<i>New Markets</i>	11.7 (7.7%)
India	7.0 (4.6%)
Russia	3.0 (2.0%)
The GCC Markets	0.8 (0.5%)
Vietnam	0.5 (0.3%)
The Netherlands	0.4 (0.3%)
Total Marketing Budget for Source Markets	151.7 (100.0%) #

#: Owing to rounding, the total may differ from the sum of the individual figures.

HKTB is devising a detailed work plan for the additional funding provided by the Government and will allocate a certain part of resources to invest in source markets. HKTB will stay flexible in allocating resources depending on the market situation to recover the visitor arrivals as soon as possible. Since the work mentioned above will be jointly undertaken by HKTB head office and worldwide offices, the staff establishment can hardly be quantified separately.

In light of the COVID-19 outbreak, HKTB has formulated the following strategic direction to be carried out in three phases:

Phase 1 (current): Work together to fight the outbreak

- HKTB is constantly providing instant updates to visitors and the travel trade, including the latest outbreak control measures implemented by the Government, on HKTB's official website (DiscoverHongKong.com). A dedicated section has been created to provide visitors with travel tips, such as information about the status of attractions. The daily operating hours of HKTB's Hotline Service have been extended to answer enquiries from visitors and trade partners, including hotels and shopping malls. In addition, HKTB is regularly disseminating the latest information to the travel trade in both Hong Kong and source markets; and
- HKTB is also actively consulting the trade to offer support and planning the promotion work for the next two phases.

Phase 2: Strengthen trade support and work with our trade partners on tactical promotions to attract visitors to Hong Kong

- HKTB will roll out campaigns to stimulate domestic consumption in order to rebuild the positive city ambience, boost consumer confidence in Hong Kong, and convey a positive message to source markets; and
- HKTB will also enhance its support for the travel trade by, for example, launching funding scheme to support travel trade's promotion work for visitor recovery, and working with the travel trade on promotions to stimulate visitors' interest in travelling to Hong Kong.

Final phase: Launch a new branding campaign to rebuild the tourism image of Hong Kong

- HKTB will leverage mega events, including the Hong Kong Sevens, which has been rescheduled to October 2020, to showcase Hong Kong's vibrant appeal;
- HKTB will launch a new tourism brand campaign, with promotions to be conducted in partnership with influential international media and digital platforms to attract the international spotlight, stand out from regional competitors, and rebuild Hong Kong's tourism image; and
- HKTB will also organise more trade activities and enhance its global promotions.

Depending on the development of the COVID-19 outbreak in Hong Kong and key source markets, as well as the resumption of normal airline services between Hong Kong and other places, the related plans will be rolled out as soon as possible.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2844)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated expenditure under programme 3 of the Trade Development Council (TDC) for 2020-21 is 41% higher than the original estimate for this year. What are the breakdowns of and reasons for the above expenditure? What are the respective provisions for initiatives to assist small and medium enterprises (SMEs), which include assisting SMEs in entering the Mainland market and exploring new markets, enhancing the promotion of external trade, and attracting more buyers for TDC's exhibitions? What is the manpower to be involved in each of these initiatives?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 54)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local

events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)136

(Question Serial No. 2846)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade Development Council (TDC) has always stressed that it will assist the small and medium enterprises (SMEs) and startups in Hong Kong to leverage the business opportunities of online shopping, so as to enhance their competitiveness in the digital era, help SMEs identify other production bases, and enhance their engagement with the public and major stakeholders via the social media. However, the Budget has not touched on these. Has the Government any plans in this respect in the future? Please provide details of the estimated provisions, manpower establishment and expected outcomes in this respect in the coming 5 years.

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 67)

Reply:

The Hong Kong Trade Development Council (TDC) helps Hong Kong enterprises seize opportunities arising from online shopping mainly by equipping them with know-how and offering practical experience.

In terms of equipping enterprises with know-how, TDC will launch a new upgrade-and-transform programme which covers branding, e-commerce, exploration of new markets and relocation. By providing research information, consultancy services and workshops, the programme will help small and medium enterprises improve their competitiveness and achieve their upgrading and transformation goals. TDC will also organise seminars and exchange activities to help Hong Kong enterprises formulate promotion strategies for mature markets through online platforms.

In terms offering practical experience, TDC will offer a one-year free trial of online promotion package on its *hktdc.com Sourcing* platform in order to help Hong Kong exhibitors expand their network of buyers, investors and partners through the platform.

Furthermore, TDC will organise promotional campaigns on the Mainland and Association of Southeast Asian Nations (ASEAN) markets such as *Chic HK*, *Design Gallery* and *DG Studio* in order to enhance the popularity of Hong Kong's design products and help Hong Kong brands seize business opportunities arising from the rapidly developing consumer markets on the Mainland and in ASEAN.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)137

(Question Serial No. 3261)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated expenditure for Programme (6) Travel and Tourism in 2020-21 represents a decrease of 36.8% over the original estimate for this year. What is the breakdown of the expenditure involved and what are the reasons? Meanwhile, 3 posts will be created in the manpower establishment for 2020-21. Will the Bureau inform this Committee of the areas of work for these posts and the expenditure on the emoluments?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 60)

Reply:

In Programme (6), provision for 2020-21 is \$270.8 million (36.8%) lower than the original estimate for 2019-20. This is mainly due to the lapse of non-recurrent funding for setting up the Travel Industry Authority (\$350 million in 2019-20 original estimate) and partly offset by increased provision (\$79.2 million) for the operating expenses. The increased provision for the operating expenses in 2020-21 will be mainly used to continue the implementation of the on-going initiatives under the "Development Blueprint for Hong Kong's Tourism Industry", to cater for the creation of new posts, the impact of pay rise and other operating expenses.

Details of net increase of three posts to be created under Programme (6) in 2020-21 are as follows:

Rank	Number of post (Note)	2020-21 salary provision (\$)	Job nature and area of work
Executive Officer II	1	534,660	To replace a non-civil service contract position to support duties related to staging events in Hong Kong.
Assistant Clerical Officer	1	288,840	To provide clerical support.
Administrative Officer (Time-limited for 3 years)	1	985,260	To support duties related to the Ocean Park.
Senior Treasury Accountant (Time-limited for 3 years)	1	1,514,640	

Note: With deletion of one post upon lapse in 2020-21, the net increase in posts is three.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)138

(Question Serial No. 3768)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under the Matters Requiring Special Attention in 2020-21, the Government will take forward the new tourism project making use of augmented reality and multimedia and creative technology to enable visitors to experience the historical landscape and community culture. Will the Bureau inform this Committee of the details of the relevant preparatory work? What are the staff establishment and estimated expenditure involved in the coming three years? What is the estimated number of tourists attracted to the new projects in each year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 63)

Reply:

The Government is partnering with the School of Creative Media, City University of Hong Kong to take forward the project in bringing visitors back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The first phase of this project is tentatively scheduled for launching in the Tsim Sha Tsui and Central areas in the third quarter of 2020.

In 2020-21, the Government has reserved \$12 million for the project. The project will be implemented with existing manpower and the related expenditure is subsumed under the establishment of the Commerce, Industry and Tourism Branch of this Bureau.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)139

(Question Serial No. 3771)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government promulgated the "Development Blueprint for Hong Kong's Tourism Industry" earlier on to facilitate the development of the local tourism industry. As mentioned under the Matters Requiring Special Attention in 2020-21, the Government will diversify and promote the green tourism products on offer in Hong Kong through enhancing the tourism supporting facilities of hiking trails, upgrading the facilities of the Wong Nai Chung Gap Trail so as to enhance its appeal as a heritage and green tourism attraction, developing a hiking hub in Lantau, and to explore similar possibility at Pak Tam Chung. Will the Bureau advise this Committee of the allocation details of the above funding, staff establishment and estimated expenditure involved in the coming five years? What is the expected completion date of the above work?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 70)

Reply:

In order to promote green tourism, the Government has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points, enrichment of visitor information and stepping up cleansing services, etc. The Government will enhance the supporting facilities of Dragon's Back (Shek O Country Park), Peak Trail (Pokfulam Country Park), Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Improvement works have commenced. The first phase which covers MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo has largely been completed. The Agriculture, Fisheries and Conservation Department also launched the

enhanced thematic website in December 2019 to provide detailed information on hiking trails and green attractions to enrich visitors' experience. The enhancement works of the second phase which include Dragon's Back, Shing Mun Reservoir Walk and Lantau Trail Section 2 are being implemented and expected to be completed in the fourth quarter of 2020 to tie in with the hiking season. The whole enhancement project is expected to be completed in the first quarter of 2023. Besides, the Government will also upgrade the facilities of the Wong Nai Chung Gap Trail with a view to enhancing its appeal as a heritage and green tourism attraction. Details of the implementation plan (including project scope, schedule and estimated expenditure) are being worked out.

Regarding the development of hiking hub in Lantau, the Government is improving the facilities of the Ngong Ping Nature Centre to provide visitors with more comprehensive information on the nearby hiking trails. The renovated centre, which will enhance the provision of hiking information with interactive elements and guided tour service, is expected to be reopened in 2020. The estimated project expenditure from 2019-20 to 2022-23 is around \$7.35 million. The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving some sections of the Nei Lak Shan Country Trail and Lantau Trail, enhancing visitor signages, as well as expanding and constructing viewing platforms. The enhancement of visitor signages and part of the improvement works on hiking trail sections have already been completed in 2019, while the remaining works are expected to be completed by phases from 2020 to 2022 with an estimated expenditure of around \$15 million.

The Government will also conduct a preliminary planning study on the proposal to develop Pak Tam Chung into a green tourism hub in 2020-21 at an estimated expenditure of \$3 million. Subject to the findings of the study, the Government will draw up a development plan.

The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau and the relevant departments, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)140

(Question Serial No. 3772)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under the Matters Requiring Special Attention in 2020-21, the Government will take forward the creative tourism project with creative, artistic and cultural elements at selected districts, and organise the pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai. What are the estimated staff establishment and expenditure involved in the above projects? Will new posts be created in the staff establishment to provide long-term support for the projects?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 71)

Reply:

Tourism Commission, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through cross sectors collaboration, have launched the 3-year creative tourism project, "Design District Hong Kong" (#ddHK), which comprises various place making artworks and creative tourism events to enhance the appeal of Wan Chai and Sham Shui Po Districts as tourism spots. The project is being rolled out progressively from December 2018. The estimated expenditure of this project in 2020-2021 is \$20 million.

Besides, since 2019, the Government has launched the "Yim Tin Tsai Arts Festival", which is a new three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung. Through collaboration amongst local artists, youngsters and Yim Tin Tsai villagers, the Arts Festival has turned Yim Tin Tsai into an "open museum", bringing a new and unique travel experience integrating arts, religion, culture, heritage and green elements to visitors. In early 2019, through open tender, the Government awarded a three-year contract at a price of \$20 million to a suitable curatorial organisation. The actual total expenses incurred will be confirmed upon the completion of the three-year project.

The staffing for the above projects is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau, which can hardly be quantified separately. We have no plan to create any new posts for the projects.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)141

(Question Serial No. 4080)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Productivity Council will continue to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and the Association of Southeast Asian Nations (ASEAN) markets through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). In view of the trend of relocation of the industrial chain outside the Mainland China in recent years, please set out the details of Hong Kong enterprises applying for the BUD Fund to promote sales in ASEAN markets in the past 3 years:

1. the distribution of funding under the BUD Fund among ASEAN countries each year;
2. the number of BUD Fund applications for ASEAN markets each year;
3. the amount of funding sought under the BUD Fund for ASEAN markets each year;
4. the percentage of the number of applications for ASEAN markets in the total number of BUD Fund applications each year; and
5. the percentage of funding used for ASEAN markets in the total amount of funding sought under the BUD Fund each year.

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 4)

Reply:

The Government introduced enhancement measures to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in August 2018, including introducing the Association of Southeast Asian Nations (ASEAN) Programme, which provides a cumulative funding of up to \$1 million to each enterprise for undertaking projects in ASEAN markets.

The implementation progress of the ASEAN Programme in 2018 and 2019 is as follows:

	2018	2019
Number of applications received	177	525
Percentage of the number of applications received among the total number of applications received by the BUD Fund in the year	16.4%	30.5%
Number of applications approved	40	219
Percentage of the number of applications approved among the total number of applications approved by the BUD Fund in the year	8.3%	29.8%
Total amount of grants approved (\$)	22.4 million	131.6 million
Percentage of the total amount of grant approved among the total amount of grants approved by the BUD Fund in the year	10.3%	30.7%

The distribution of applications approved under the ASEAN Programme by target market is as follows-

Target Market	Number of applications approved	
	2018	2019
Singapore	23	130
Malaysia	18	129
Thailand	16	98
Vietnam	14	87
Indonesia	15	66
Philippines	9	51
Cambodia	6	35
Myanmar	3	24
Brunei Darussalam	2	17
Laos	2	15
Total	108 ^{Note}	652 ^{Note}

Note: Some applicants have indicated more than one target ASEAN market in their applications. Hence, the total number of target markets involved in the applications approved exceeds the total number of applications approved.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4081)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is indicated in the Analysis of Financial and Staffing Provision that the provision for 2020-21, which includes the increased provision to the Belt and Road Office, is \$3.9 million (0.7%) higher than the revised estimate for 2019-20. In addition, 4 posts will be created in 2020-21. Please provide:

1. the expenditure for the Belt and Road Office in the additional provision;
2. the operational details of the Belt and Road Office in the past year as well as the manpower and expenditure involved, with a view to evaluating the effectiveness of its work; and
3. the types, ranks, salaries, allowances and job nature of the 4 new posts.

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 5)

Reply:

In the past year, the Belt and Road Office (BRO) had been implementing programmes and measures, and in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative (B&RI) for enterprises and the professional services sector in Hong Kong. Such efforts include organising a high-level delegation to attend the second Belt and Road Forum for International Cooperation held in April 2019 in Beijing; following up on the implementation of the “Arrangement between the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong’s Full Participation in and Contribution to the Belt and Road Initiative” through convening the Belt and Road Joint Conference in July 2019; co-organising the fourth Belt and Road Summit with the Hong Kong Trade Development Council (HKTDC) in September 2019, as well as staging a series of forums, sharing and business matching sessions within the year to facilitate enterprises in capturing Belt and Road (B&R) business opportunities; supporting the HKTDC to enhance its B&R Portal into a more comprehensive and up-to-date one-stop B&R platform, which came into operation in

July 2019; organising and participating in a number of business and professional missions to B&R related countries and regions, thereby promoting Hong Kong's unique strengths; and maintaining direct communication and collaboration with relevant Mainland authorities, such as launching a Policy Exchange and Capacity Building Programme in December 2019 to strengthen our collaboration in areas including capacity building.

The above-mentioned work is being taken forward by the BRO as part of its overall efforts in promoting Hong Kong's participation in B&RI, and cannot be quantified separately. In the past year, the BRO had a total establishment of 20 and the anticipated overall expenditure was about \$24.440 million, of which salaries accounted for \$17.303 million, and operating expenses for \$7.137 million. In 2020-21, BRO will have a total establishment of 21 and the estimated overall expenditure will be about \$39.958 million.

To strengthen administrative support for the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB), 4 posts planned for creation comprise 3 Clerical grade posts and 1 Analyst/Programmer grade post. CITB has reserved a total provision of \$1.6 million for the personal emoluments of these 4 posts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)143

(Question Serial No. 4083)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

For the past 20 years, the Walt Disney Company has had no intention to exercise the option of buying the Phase 2 site, and the site has therefore been left vacant for years. In this connection, will the Government advise on the following:

When the option expires this September, will the Government consider recovering the site for housing development? If yes, what are the details? If no, what are the reasons?

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 60)

Reply:

According to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company (TWDC) as shareholders) in 2000, the joint venture has an Option to purchase the site to the east of Hong Kong Disneyland Resort (HKDL) reserved for its possible Phase 2 development (the Phase 2 site) for taking forward HKDL's further development. The Option is valid until September 2020 and can be extended for five years to September 2025.

As shareholders of the joint venture, the Government and TWDC explore from time to time the direction of HKDL's long term development, including the arrangements under the Option Deed. In fact, the Phase 2 site has to follow the specified tourism development use under the North-East Lantau Outline Zoning Plan and comply with the permitted uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc, but not residential use. The Government has no intention to change the existing land use arrangements for the Phase 2 site.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6226)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Special Attention in 2020-21, the Commerce and Economic Development Bureau (CEDB) will work with the Hongkong Post (HKP) in preparing for the redevelopment of the Air Mail Centre (AMC). Please advise on:

1. the timetable for commencement and completion of works;
2. the additional staffing requirement for the HKP;
3. the expenditure involved; and
4. the reasons for the redevelopment.

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 102)

Reply:

The Air Mail Centre (AMC) located at the Hong Kong International Airport has been in operation for more than 20 years. The AMC was designed to handle letter mails, which is substantially different from the current operation mode of handling a large amount of small packets brought about by e-commerce. In view of the ever increasing demand for cross-border logistics and delivery services from the booming growth of e-commerce, we consider that there is an imminent need to redevelop the AMC to further enhance its handling capability for small packets, equip it with modern machineries and enlarge its operational area with a view to enhancing its capacity and efficiency.

The Government reconfirmed in the 2020-21 Budget that \$5 billion has been set aside for the redevelopment of the AMC. Hongkong Post (HKP) has completed the preparation work for the redevelopment and plans to seek funding approval from the Legislative Council at the end of this year, when it will present the details of the works plan and schedule. HKP has established a dedicated team responsible for mega postal infrastructure

including the AMC redevelopment project and reprovisioning of the General Post Office Building through redeploying internal resources.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)145

(Question Serial No. 6227)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please respond to the following questions:

1. During the fortnight before 25 January 2020, what were the numbers of arrival flights offloading air parcels in Hong Kong each day; incoming air cargo and parcels; and air parcels handled and delivered respectively?
2. Since 25 February 2020, what have been the numbers of arrival flights offloading air parcels in Hong Kong each day; incoming air cargo and parcels; and air parcels handled and delivered respectively?
3. Since the Government's announcement on 1 February 2020 of the provision of limited services by Hongkong Post (HKP), what adjustment has been made to the manpower at the Hong Kong airport's Air Mail Centre for handling and delivering air parcels; and what are the numbers of respective personnel?
4. At present, what are the types and quantities of protective equipment provided daily by HKP to each postal staffer who needs to work on site, and the types and quantities of protective equipment used by postmen who are responsible for frontline mail delivery? And has HKP stepped up its epidemic prevention measures? If yes, what are the details? If no, why?
5. How many months would HKP's existing stocks of epidemic prevention equipment last for consumption; and what are HKP's measures to procure additional equipment for all the staff working on site?

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 103)

Reply:

Hongkong Post (HKP) does not track or record the number of daily flights that unload airmails. During the periods of 11 to 24 January 2020 and 25 February to 6 March 2020, respectively about 101 500 and 105 800 inward airmails were received per day. HKP processes inward mails as soon as possible. Generally speaking, the daily amount delivered is similar to that received.

HKP implemented special work arrangements from 3 to 11 February during which time the mail delivery service was provided on alternate days, with staff working in shifts for sorting and delivery of inward Speedpost items and parcels. Full scale mail processing and delivery services were resumed from 12 February onwards. The number of staff involved in the handling of airmails in the Air Mail Centre and delivery of airmails were about 1 900 and 3 700 per day respectively.

HKP attaches great importance to staff occupational safety and health. Since the beginning of the COVID-19 outbreak, we have strengthened the cleansing and disinfection of our workplaces, provided frontline staff with supplies for health protection, such as surgical masks, gloves, alcohol swabs and hand sanitizer. Staff could obtain extra masks in the event their masks are dampened or damaged in the course of discharging duties.

HKP has been supplying all units with large-sized alcohol-based handrubs, and additionally each delivery postman has been provided with portable small-sized ones since mid-February. Starting from 2 March, staff are subject to body temperature check before entering the workplace. All staff are reminded by supervisors to attach importance to their personal hygiene, and seek medical consultation immediately and stay at home for rest in case of sickness.

HKP obtains surgical masks produced by the Correctional Services Department, and also procures surgical masks from the market for staff use, but has not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (PPE) around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)146

(Question Serial No. 6228)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the anti-epidemic protective gear provided to postal service personnel by the Government, please advise this Committee of the following:

1. the total quantity and expenditure of anti-epidemic protective gear provided to postal service personnel by the Government broken down by categories (such as masks, gloves, goggles, alcohol-based handrub, etc.), as well as the quantity of such protective gear received by each staff in each of the past 5 years;
2. the total quantity and expenditure of anti-epidemic protective gear provided to postal service personnel by the Government broken down by categories (such as masks, gloves, goggles, alcohol-based handrub, etc.), as well as the quantity of such protective gear received by each staff since January 2020.

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 104)

Reply:

Hongkong Post (HKP) attaches great importance to staff occupational safety and health. Since the beginning of the COVID-19 outbreak, we have strengthened the cleansing and disinfection of our workplaces, provided frontline staff with supplies for health protection, such as surgical masks, gloves, alcohol swabs and hand sanitizer. Staff could obtain extra masks in the event their masks are dampened or damaged in the course of discharging duties.

HKP has been supplying all units with large-sized alcohol-based handrubs, and additionally each delivery postman has been provided with portable small-sized ones since mid-February. Starting from 2 March, staff are subject to body temperature check before entering the workplace. All staff are reminded by supervisors to attach importance to their

personal hygiene, and seek medical consultation immediately and stay at home for rest in case of sickness.

HKP obtains surgical masks produced by the Correctional Services Department, and also procures surgical masks from the market for staff use, but has not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (PPE) around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)147

(Question Serial No. 6229)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With respect of the huge volume of surgical masks parcels airmailed by Hong Kong citizens from overseas to Hong Kong in response to the Wuhan pneumonia caused by the novel coronavirus, the Hongkong Post (HKP) has set up a special team to handle and deliver the incoming parcels. Regarding the HKP's operation, would the Government please advise:

1. if HKP has any contingency mechanism in place to handle a huge volume of mail under special circumstances; if yes, of the details; if no, of the reasons;
2. of the numbers of incoming air mail items by month in each of the past 5 years;
3. of the numbers of incoming air mail items by month since January 2020;
4. of the manpower, expenditure, daily and weekly hours of work and overtime, days of work, overtime allowance and time-off arrangement regarding the special team set up by HKP to handle the huge volume of air parcels; and
5. of the number of air parcels containing surgical masks since December 2019?

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 105)

Reply:

Hongkong Post (HKP) always deploys manpower resources flexibly and adjusts operational procedures in handling mail items, including redeploying manpower from other divisions/sections to work in the Air Mail Centre (AMC) to handle increased airmail items. In response to the drastic increase in inward Speedpost items and parcels containing masks due to the COVID-19 outbreak, HKP has made special delivery arrangements and redeployed manpower to give priority to the handling of these mail items.

The number of monthly inward airmail items from 2015 to February 2020 is as follows:

The number of monthly inward airmail items from 2015 to February 2020

Year	Month	Total (in piece)	Year	Month	Total (in piece)
2015	January	1,787,188	2018	January	2,302,967
	February	1,678,958		February	2,135,388
	March	1,789,282		March	2,191,396
	April	1,772,742		April	2,347,068
	May	1,824,731		May	2,275,027
	June	1,630,565		June	2,270,312
	July	1,339,751		July	2,308,046
	August	1,836,739		August	2,286,937
	September	2,162,869		September	2,097,712
	October	2,054,108		October	2,366,864
	November	1,902,635		November	2,477,505
	December	2,352,181		December	2,550,355
2016	January	1,939,032	2019	January	2,552,117
	February	1,624,816		February	2,062,578
	March	1,854,218		March	2,239,091
	April	1,530,312		April	2,486,977
	May	1,663,563		May	2,362,884
	June	2,349,889		June	2,143,821
	July	1,773,634		July	2,314,489
	August	1,658,694		August	2,344,501
	September	1,320,076		September	2,205,617
	October	1,587,865		October	2,585,202
	November	2,410,416		November	2,286,929
	December	1,387,446		December	2,532,870
2017	January	1,649,325	2020	January	2,392,332
	February	1,844,797		February	3,062,858
	March	1,608,776			
	April	1,593,809			
	May	3,161,450			
	June	1,602,565			
	July	2,297,367			
	August	2,505,498			
	September	2,286,401			
	October	1,822,766			
	November	2,719,265			
	December	2,763,126			

HKP made special delivery arrangements from 9 February to 6 March 2020 to help handle inward Speedpost items and parcels, including making deliveries on three Sundays and 14 evenings, involving more than 3 000 staff jobs and overtime work of a total of about 14 000 hours.

When arranging overtime work, HKP would assess the workload and working time required, and compensate the staff with either overtime work allowance or time-off-in-lieu afterwards in accordance with HKP's prevailing arrangement for overtime work.

It is estimated the AMC has processed about 180 000 mail items containing masks between the end of this year's Lunar New Year and mid-March.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)148****(Question Serial No. 0777)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in his Budget Speech that an additional amount of over \$700 million will be allocated for the Hong Kong Tourism Board to step up promotion and revive the tourism industry when the epidemic is over. Will the Government advise the relevant measures and breakdown of expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 4)

Reply:

The Government has provided to provide additional funding of HK\$791 million to the Hong Kong Tourism Board in 2020-21. The following outlines the initial plan in four strategic directions and relevant breakdown of expenditure:

Initiatives	Amount (HK\$ million)
1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226
2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTb in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTb will organise 	117

Initiatives	Amount (HK\$ million)
<p>travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets.</p> <ul style="list-style-type: none"> • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)149

(Question Serial No. 2388)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce, Industry and Tourism Branch states that during 2019-20, it continued to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry, and such work will continue in 2020-21. Would the Government advise this Committee of the relevant details, expenditure involved and timetable of the work?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 33)

Reply:

The Government continued to implement in 2019-20 a set of measures to support manpower development of the retail industry, and will continue to do so in 2020-21. The measures include the following:

- the Earn & Learn Pilot Scheme for the Retail Industry (Pilot Scheme) (rolled out by the Vocational Training Council in partnership with the Hong Kong Retail Management Association) – The Pilot Scheme seeks to provide a channel for Secondary Six graduates to attend classes on campus while acquiring working experience at retail shops. The Pilot Scheme aims at providing training for aspiring youngsters to join the retail workforce, and promote manpower development of the retail industry. During their study period, the Government provides an allowance of \$2,000 per month to each student-worker with satisfactory school and work attendance. Since the launch of the Pilot Scheme, over 610 student-workers have already enrolled;

- the Retail Technology Adoption Assistance Scheme for Manpower Demand Management (ReTAAS) (launched in partnership with the Hong Kong Productivity Council) – ReTAAS aims to support the retail industry to adopt technologies for manpower management and enhancing productivity. As at the end of February 2020, over 410 applications have been approved with a total amount of funding approved of around \$15.3 million; and
- on-going promotion of the retail industry (conducted in collaboration with the retail sector) – The promotion aims to project a positive image of the industry through various channels, such as TV and radio Announcements in the Public Interest (APIs), online animation videos, dedicated website, social media page and advertisements, bus seatback and restaurant table stickers and advertisements in recruitment magazines. In terms of content, the publicity items seek to promote the diversified nature of retail jobs, good people management and relevant training opportunities and courses etc.

The estimated expenditure for the above measures in 2020-21 is \$1.67 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)150

(Question Serial No. 2389)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce, Industry and Tourism Branch (CITB) indicated that its work during 2019-20 included continuing to implement measures to underpin the further development of wine-related businesses in Hong Kong, including trade promotion and facilitation measure for wine re-exports to the Mainland, and that it will continue to implement such measures during 2020-21. Will the Government advise the details and expenditure breakdown of the relevant work?

Asked by: Hon SHUI Ka-fai (LegCo internal reference no.: 34)

Reply:

The Government exempted the wine duty in 2008, with a view to unleashing the potential of wine-related businesses and benefitting the economy. Hong Kong has since then become a regional wine trading and distribution hub. In 2019, Hong Kong was the largest wine auction centre in the world. In the same year, Hong Kong's wine import amounted to about \$8.8 billion, while wine re-export amounted to about \$1.5 billion.

Details of our efforts in 2019-20 and 2020-21 to support the further development of wine-related businesses are given below –

- Regarding trade and investment promotion, the Commerce, Industry and Tourism Branch co-ordinates the work of relevant agencies, including the organisation and promotion of wine-related flagship events. For instance, subvention is provided to the Hong Kong Trade Development Council (HKTDC) for continuously organising the Hong Kong International Wine & Spirits Fair in the two years mentioned above. Subvention is also provided to the Hong Kong Tourism Board (HKTB) for organising the Hong Kong Wine and Dine Festival in 2020-21. HKTDC, HKSAR Government's Offices in the Mainland and its overseas Economic and Trade Offices would further

assist the industry in exploring potential markets not only in the Mainland, but also those in the region. We also provide support for the Hong Kong Quality Assurance Agency to promote its wine registration and wine storage certification schemes in the Mainland, so as to underline Hong Kong traders' reputation;

- Regarding clearance facilitation, the customs facilitation measures for wine entering the Mainland through Hong Kong was enhanced in 2017, with its scope expanded to cover all customs districts of the Mainland. The measures enable wine consignments to obtain instant customs clearance on arrival at Mainland ports. The Customs and Excise Department will continue to exchange views with the industry and strengthen promotion of the relevant measures through briefings; and
- Regarding education and manpower training, apart from courses run by different institutes, we will continue to encourage the industry and training bodies to collaborate with trading partners in launching other wine-related courses to meet the industry's needs. For instance, on the basis of the Memorandum of Understanding on co-operation in wine-related education and manpower training between Hong Kong and Bordeaux, an exchange programme was held for the first time in September 2019, with scholarship support from the industry, for students from local tertiary institutions to attend trainings and internships in Bordeaux.

The work arising from the implementation of the above measures will continue to be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for this Branch. It is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)151

(Question Serial No. 2390)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned that the Commerce, Industry and Tourism Branch will launch promotional campaign to enhance Hong Kong's international image as the best place to do business and the premier destination for investment and tourists in collaboration with other Hong Kong overseas agencies in 2020-21. Will the Government inform this Committee of the details of the relevant work and the estimated expenditures to be incurred?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 35)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) collaborate closely with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council (TDC), Hong Kong Tourism Board, etc., in organising and co-organising a range of promotional activities, including seminars, luncheons, receptions, exhibitions, thematic events, etc., to enhance the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong and our advantages in various aspects, encouraging local enterprises to invest in Hong Kong or partnering with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, the ETOs, together with Invest Hong Kong and TDC, also step up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

In 2020-21, the ETOs will continue to closely collaborate with other Hong Kong overseas agencies in organising different events to promote the Hong Kong Brand with a view to showcasing Hong Kong's unique position and advantages in different aspects. These

activities and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help enhance Hong Kong's profile in key markets. As the relevant promotion work is part of the overall public relations work of ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)152

(Question Serial No. 2391)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce, Industry and Tourism Branch will continue to carry out the legislative work for a statutory cooling-off period for certain consumer contracts, with a view to implementing the cooling-off period arrangement upon passage of the legislative proposal. In this connection, will the Government advise on the relevant legislative work and the details and timetable of the implementation?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 36)

Reply:

The Commerce and Economic Development Bureau released a consultation paper on 15 January 2019 to solicit public views on a proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts. Since the completion of the three-month consultation period, we have been considering the views received and carrying out the legislative drafting work, with a view to addressing the concerns of the trades on the one hand, and enhancing consumer protection on the other.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)153

(Question Serial No. 3264)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated that the Commerce, Industry and Tourism Branch will continue to work with the related industries to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital in 2020-21. Will the Government advise the details of the related initiatives and the estimated expenditure involved?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 55)

Reply:

The convention and exhibition (C&E) industry is vital to Hong Kong as an international business and trading centre. To enhance the competitiveness of Hong Kong's C&E industry, the Government maintains communication with the trade to understand its latest situation and needs.

In light of the impact of the COVID-19 outbreak on Hong Kong's C&E industry, to send a clear message to the trade immediately that we welcome the resumption of C&E events in Hong Kong once the outbreak has come to an end, help secure confidence of event organisers in Hong Kong as well as allow preparation time for event organisers, exhibitors, buyers and other participants to return to Hong Kong to organise or participate in C&E events, the Convention and Exhibition Industry Subsidy Scheme under the Anti-epidemic Fund will subsidise participants of exhibitions and conventions organised by the Hong Kong Trade Development Council and all other organisers of exhibitions and international conventions at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo, with a view to reinvigorating Hong Kong's reputation as an international premier C&E hub.

In addition, the Government has been providing funding to the Hong Kong Tourism Board (HKTB) each year to support its Meetings, Incentives, Conferences, and Events (MICE) tourism promotion work carried out by the Meetings and Exhibitions Hong Kong under the

HKTB. In 2020-21, the HKTB will launch a new brand campaign to reinforce Hong Kong's image as "The World's Meeting Place" to attract more events of different scales to Hong Kong. In addition, the HKTB will enhance support for the MICE trade and step up targeted promotions to encourage events to return to Hong Kong as well as solicit more international conventions.

Also, in order to reinforce the advantages of C&E industry in Hong Kong and enhance the synergy between C&E venues and facilities in their vicinity, the Government has been working in earnest to increase the supply of C&E venues.

The above work has been subsumed under the staff establishment of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)154

(Question Serial No. 3265)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for the Hong Kong Trade Development Council (HKTDC) for 2020-21 is \$122.7 million (25.0%) higher than the revised estimate for 2019-20. Will the Government advise this Committee the reasons for the increase in the estimate and a breakdown of the estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 56)

Reply:

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to the Hong Kong Trade Development Council (TDC). In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)155

(Question Serial No. 5379)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding consumer educational programmes, what were the programmes conducted by the Consumer Council in the past 3 years and what was the expenditure involved in each year? For 2020-21, where are the work plans and the estimated expenditure involved?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 57)

Reply:

The Consumer Council (the Council) has all along been organising educational activities such as talks, workshops and seminars, to equip consumers of different ages and from all walks of life with the relevant skills and knowledge to facilitate rational and responsible consumption. The Consumer Culture Study Award organised annually is a tailor-made programme to provide consumer education to students in secondary schools. Since 2017-18, the Council has also launched the "ECF Earth 2038's Learning Journey of Sustainable Consumption" education programme for primary school students.

In terms of publicity, the Council holds a press conference on a monthly basis in tandem with publication of the "CHOICE" Magazine to disseminate the latest consumer information to the public. The Council organises campaigns such as the Consumer Rights Reporting Awards and Top 10 Consumer News every year to promote awareness of consumer protection among the public. The Council is also revamping its website and online platform of the "CHOICE" Magazine to widen its outreach.

In addition to the aforementioned regular educational and publicity activities, the Council also organises various events on a project basis, such as the "Best Consumer Protection Legislation Advertising Award" in celebration of the Council's 45th Anniversary, the production of a series of information videos promoting the amended Trade Descriptions Ordinance, collaboration with non-governmental organisations in arranging educational

activities, and youth development programmes, etc. In 2020-21, the Council will continue to strengthen the above work.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)156

(Question Serial No. 6027)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out the respective manpower resources and provisions allocated by the Consumer Council to each of its indicators for the past 3 years and 2020-21.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 58)

Reply:

The manpower and expenditures of the Consumer Council (the Council) on each of its indicators for the past three years and 2020-21 have been subsumed in the Council's establishment and the Government's subvention for the Council. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)157****(Question Serial No. 1790)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide, in the form of a table, the operating condition of food trucks in each operating cycle over the past 3 years:

Operating cycle	2017		2018		2019	
	Number of available operation day	Number of rest day	Number of available operation day	Number of rest day	Number of available operation day	Number of rest day

2. Please provide, in the form of a table, the operating condition of food trucks in each designated venue over the past 3 years:

Designated venue	2017		2018		2019	
	Number of available operation day	Number of rest day	Number of available operation day	Number of rest day	Number of available operation day	Number of rest day

3. Will the Government relax the terms of operation of food trucks to give the operators more flexibility in selecting their operation venues? If yes, what are the details? If no, what are the reasons?

4. Will the Government, taking into account the operating condition of food trucks, consider identifying other sites as designated venues? If yes, what are the details? If no, what are the reasons?
5. Will the Government place the Food Truck Pilot Scheme into another department's purview and change the positioning of food trucks as a tourism project? If yes, what are the details? If no, what are the reasons?
6. Will the Government end the pilot scheme due to the unsatisfactory operating condition of food trucks and make compensation to the operators? If yes, what are the details? If no, what are the reasons?

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 50)

Reply:

In view of the business performance of the food trucks and in response to the opinions of operators of the Food Truck Pilot Scheme (the Scheme), the Tourism Commission (TC) has rolled out a number of refinement measures since May 2017, including allowing the operators to opt whether to operate at the designated venues under the rotation schedule and pay service fees for the operation days only to enhance the operation flexibility of the Scheme as far as possible. From 2017 to 2019¹, the total number of available operation days and the total number of days operators opted not to operate is tabulated below:

2017		2018		2019	
Total number of available operation days	Total number of days operators opted not to operate	Total number of available operation days	Total number of days operators opted not to operate	Total number of available operation days	Total number of days operators opted not to operate
4 122	1 127	5 347	2 772	5 296	3 453

From 2017 to 2019¹, the number of available operation days and the number of days without food truck operation in the 8 designated venues is tabulated below:

¹ The trading periods of 2017 were counted from 3 February 2017 (i.e. the commencement date of the Scheme) to 7 January 2018. The trading periods of 2018 were counted from 8 January 2018 to 6 January 2019. The trading periods of 2019 were counted from 7 January 2019 to 5 January 2020.

Designated venue	2017		2018		2019	
	Number of available operation days	Number of days without food truck operation	Number of available operation days	Number of days without food truck operation	Number of available operation days	Number of days without food truck operation
Hong Kong Disneyland	332	11	364	2	364	0
Tsim Sha Tsui Salisbury Garden	328	39	351	77	351	170
Tsim Sha Tsui Art Square	319	37	350	52	353	106
Ocean Park	319	56	361	167	364	162
Golden Bauhinia Square	325	62	350	197	353	265
Central Harbourfront Event Space	326	161	324	246	311	290
Wong Tai Sin Square	319	137	358	316	361	358
Energizing Kowloon East Venue 1	322	147	354	345	364	359

There are certain limitations for choosing the operating locations of food trucks under the framework of the Scheme. Primarily, the location should contain tourism elements; it should not cause obstruction to people or vehicle flow; it should maintain certain distance with the nearby catering outlets; and there should be the presence of venue management to provide food trucks with electricity and other supporting services. In respect of sourcing new operating venues, we have received suggestions from operators from time to time. Hence, we have explored with relevant organisations and departments over 30 new locations with tourism elements for food truck operation. Yet most of them, for example, Jockey Club, pedestrian areas, Repulse Bay, Victoria Park, Sai Kung Waterfront Park, Sai Kung Pier and Waterfront Promenade, Ma Liu Shui Pier, etc., fell through for various reasons such as the roads at the suggested location are narrow, there are too many restaurants in the proximity or there is no venue management to provide electricity and other supporting services, etc.

Notwithstanding this, we have successfully introduced new operating venues, namely Science Park, Hong Kong University of Science and Technology, Hong Kong Science Museum, Hong Kong-Zhuhai-Macao Bridge Hong Kong Port and Jockey Club HKFA Football Training Centre. Among these, Jockey Club HKFA Football Training Centre is proposed by the operator. TC has introduced this operating venue after consulting relevant departments. TC will continue to look for other new operating venues where practicable with a view to exploring more business opportunities for food trucks.

The Scheme aims to enhance the fun and vibrancy of tourist attractions in Hong Kong by providing diverse, creative and high quality gourmet food to tourists and the locals. It is positioned as a tourism project rather than playing the role as mainstream restaurant. Furthermore, there are many restaurants in Hong Kong and most of them are bearing higher rental fees than the food trucks. We consider it undesirable for food trucks to engage in unfair competition with other restaurants. Moreover, Hong Kong is densely populated, roads are narrow but the number of car is abundant. In identifying the operating locations of food trucks, they should not cause obstruction to pedestrians or other vehicles when being parked. To avoid causing complicated issues to the community and other stakeholders in the industry, we consider that it is not suitable to make fundamental change to the positioning of the Scheme.

There remains about 1 year in the extension period of the Scheme. We will prepare the final evaluation report in 2020. It is premature to confirm the way forward of the Scheme at present.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)158

(Question Serial No. 5138)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau (CEDB) mentioned under Programme (2) Commerce and Industry that the aim is to “foster exchanges and co-operation with Taiwan”. In this connection, please advise this Committee of the following:

Does CEDB have any specific plans next year to continue to promote co-operation and foster trade, investment and tourism between the two places? What are the expenditure involved and the expected outcome of such plans?

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 403)

Reply:

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

- On trade promotion, Hong Kong Trade Development Council (HKTDC) has been actively promoting commerce and trade co-operation and exchanges between Hong Kong and Taiwan, and encouraging Taiwan enterprises to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to tap overseas and Mainland markets. The Taipei Office of HKTDC frequently organises various promotional activities to provide networking and exchange platform for enterprises of the two economies, thereby creating opportunities for business co-operation.

In 2020-21, HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, seminars, roadshows and business matching activities, etc. HKTDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as logistics,

e-commerce and creative industries, etc. The estimated budget of the above work is around \$5.8 million.

- On investment promotion, Invest Hong Kong (InvestHK) has been promoting Hong Kong's business advantages in Taiwan. Through the investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan, InvestHK has been reaching out to a wide spectrum of Taiwan companies so as to encourage them to leverage on the business advantages of Hong Kong to expand their regional operations.

In 2020-21, InvestHK will continue to promote the above-mentioned work so as to attract more Taiwan companies to set up or expand their business in Hong Kong. The estimated budget of InvestHK for investment promotion work in the Taiwan market in 2020-21 is around \$0.5 million (not including staff costs or other general expenses funded under Head 144).

- On tourism, Taiwan continues to be Hong Kong's second largest source market. When the COVID-19 outbreak subsides, Hong Kong Tourism Board (HKTB) will continue its marketing efforts targeted at the young segment in Taiwan and focus on attracting repeat visitors. HKTB will work with the travel trade and airlines to launch short-term tactical promotions in due course to drive consumers' desire to visit Hong Kong. To restore visitors' confidence in Hong Kong and rebuild Hong Kong's tourism image, HKTB will repackage the city's unique, diverse experiences and enhance promotion through channels including public relations, digital media, etc. HKTB will also work with trade partners to launch different themed tourism products alongside festivals, events and activities of Hong Kong to draw visitors to Hong Kong during their short breaks. In addition, HKTB will continue to participate in events organised by the travel trade in Taiwan to introduce Hong Kong to trade partners and visitors therein, as well as to promote Hong Kong's diverse tourism products. On cruise tourism, HKTB will take forward marketing efforts in the Taiwan market having regard to factors including ship calls to Hong Kong and the market situation after the epidemic in Hong Kong and major visitor source markets subsides.

The total estimated marketing budget of HKTB proposed in 2020-21 for the Taiwan market comprises HKTB's proposed basic budget of \$12 million and part of the additional funding from the Budget (amount to be confirmed).

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)159

(Question Serial No. 1242)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong went through the anti-extradition bill incident in 2019, entailing incessant social turmoil which may have affected foreign investment in Hong Kong. In this connection, please inform this Committee of:

a) the respective numbers of companies which set up their regional headquarters in Hong Kong at end-2019 and end-2018 in the table below:

Origin of parent company	Number of regional headquarters in 2019	Percentage	Number of regional headquarters in 2018	Percentage
Mainland China				
United Kingdom				
United States				
Australia				
Europe				
Belt and Road countries (excluding Mainland China)				

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 33)

Reply:

According to the results of the “Annual Survey of Companies in Hong Kong with Parent Companies located outside Hong Kong”, there were 1 530 and 1 541 regional headquarters in Hong Kong with parent companies located outside Hong Kong in 2018 and 2019 respectively. The breakdown by origins of the parent companies are as follows:

Origin Countries of Parent Companies ^{Note1}	Number of Regional Headquarters in 2019	Percentage	Number of Regional Headquarters in 2018	Percentage
Mainland China	216	14.0%	197	12.9%
United Kingdom	141	9.1%	137	9.0%
United States	278	18.0%	290	19.0%
Australia	35	2.3%	35	2.3%
Europe	573	37.2%	567	37.1%
Belt and Road countries ^{Note2} (excluding Mainland China)	173	11.2%	125	8.2%

Note1: Due to the grouping of origin countries of parent companies in the table, there are some double counting of figures.

Note2: The number of Belt and Road countries increased by 15 from 2018 to 2019.

As the above Survey collects data as at the first working day of June every year, we are unable to provide year-end figures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)160

(Question Serial No. 1244)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in papers, the Commerce and Economic Development Bureau (CEDB) will continue to implement the enhanced Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and markets covered by Free Trade Agreements. In this connection, please advise this Committee of:

- (a) the total amount of grant approved since the establishment of the BUD Fund; and
- (b) the details, approved funding amount and progress of the projects by grantee, as well as the number and approved funding amount of failed projects as a percentage of the total number of projects and total amount of funding approved in table form.

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 35)

Reply:

Between the launch of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in June 2012 and the end of February 2020, there were a total of 2 389 applications approved with a total funding amount of \$1.072 billion.

Distribution of the project scopes of the approved applications is as follows-

Project scope	Number of applications approved ^{Note}
Developing brands	925
Upgrading and restructuring operations	973
Promoting sales	2 305

Note: Some approved applications involve more than one project scope.

The list of enterprises and funding amount of the approved applications can be found at the BUD Fund's website (<https://www.bud.hkpc.org>).

Among the 2 389 approved projects, 837 projects have been completed and 1 280 projects are going to commence or have not been completed. 272 projects were terminated, involving a total funding amount of \$90.63 million and accounting for 11% and 8% of the total number of applications approved and the total funding amount approved respectively. The major reasons for the termination are changes in the internal operation plans of the funded enterprises or the market situation which resulted in changes in development strategies of the enterprises.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)161

(Question Serial No. 2438)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Lei Yue Mun was badly hit by the onslaught of Typhoon Hato in 2017, and there is a pressing need to carry out the Lei Yue Mun Waterfront Enhancement Project (the Project). The Government is going to take forward the Project finally after over 14 years of discussion. According to the Tourism Commission, the Project can be expected to be carried out in late 2020 and completed in phases from 2022 to 2024. The Government has also included the Project as one of its work items in this financial year. In this connection, will the Government inform this Committee of the following:

What are the expenditure and manpower earmarked, as well as the measures to be taken to ensure that the relevant works be done properly in the new financial year? Can early completion of the works be anticipated at this stage?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 9)

Reply:

The Government will consult the Panel on Economic Development of the Legislative Council (LegCo) on the Lei Yue Mun Waterfront Enhancement Project and the funding proposal (totaling \$268.1 million in money-of-the-day prices) in April 2020, and if supported by Members, we will submit the funding proposal to the Public Works Subcommittee and the Finance Committee of LegCo for consideration. Subject to funding approval by the Finance Committee, we plan to commence the proposed construction works in the fourth quarter of 2020, striving for completion by phases from the second quarter of 2022 to the fourth quarter of 2024. The staffing for the above project is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, Architectural Services Department (ArchSD) and Civil Engineering and Development Department (CEDD), which can hardly be quantified separately.

The construction works will be carried out by qualified contractors registered under the List of Approved Contractors for Public Works. ArchSD and CEDD will deploy project management and engineering staff for management and supervision to ensure the quality of the construction works. The Government will closely monitor the progress of works to ensure timely completion of the project.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)162

(Question Serial No. 2439)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The tourism-related business in Lei Yue Mun, which is the only place in the city featuring unique fishing village ambience, has plummeted after months of social unrest and ongoing epidemic outbreak. Other than the Lei Yue Mun Waterfront Enhancement Project, has the Government set aside any expenditure and manpower to formulate promotion plans and initiatives to encourage tourists to visit Lei Yue Mun again? If yes, what are the details? If no, what are the reasons?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 10)

Reply:

Characterized as a traditional fishing village, Lei Yue Mun (LYM) is one of the popular tourist spots in Hong Kong. The Hong Kong Tourism Board (HKTB) has been promoting the diverse tourism appeal and unique experiences of LYM, including the nearby attractions such as the seafood village and the Jockey Club Lei Yue Mun Plus through different channels, including website, visitor centres, visitor hotline, etc. Besides, HKTB has also been promoting LYM travel products operated by the travel trade, including the gourmet tours at the seafood village. Meanwhile, the Government has been actively pursuing further enhancement of the facilities along LYM waterfront. We target to seek funding support from the Legislative Council for the LYM Project in 2020. Subject to funding approval, the construction works are expected to commence in late 2020 for completion by phases from 2022 to 2024. We believe that upon the completion of the Project, the attractiveness of LYM to tourists would be enhanced. HKTB will continue to promote the diverse tourism appeal of LYM to tourists alongside with the LYM Project.

The staffing for the above programme is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau and HKTB, which can hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)163

(Question Serial No. 2450)

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

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

Programme: (5) Subvention: Consumer Council

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated by the Consumer Council, photo shoots of actors and singers appear on each issue of the monthly Choice Magazine cover to attract readers' attention to consumer issues since December 1985.

1. Has the effectiveness and benefits of having celebrities on the magazine covers been evaluated?
2. How much was paid in total to such celebrities as honorarium over the past three years?
3. Has the Consumer Council considered any other modes of cover design apart from headshot of actors and singers to attract readers?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 21)

Reply:

The Consumer Council (the Council) considers that featuring celebrities on the cover of the CHOICE magazine helps to raise public interest and awareness, and enhances the publicity impact. The total amount of honorarium paid to such celebrities in the past three years was \$2,000. The Council will continue to review the promotional strategy of the CHOICE magazine, and will be glad to consider any suggestions that may improve the CHOICE magazine.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)164

(Question Serial No. 2465)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the section on the Kai Tak Cruise Terminal (KTCT) under Programme (6) of the Commerce and Economic Development Bureau (CEDB), please inform this Committee of the following:

(1) There were passengers found infected with Wuhan pneumonia on cruise vessels having Hong Kong as homeport and port-of-call earlier on. Has the CEDB made any assessment on the adverse impact of these incidents on the local cruise industry or even the international cruise tourism?

(2) Has any estimation been made as to whether the number of cruise vessels (including those visiting Hong Kong or homeporting in Hong Kong) berthed at the KTCT will plunge further in the new financial year? If yes, what are the details?

(3) Further to the above question, has any estimation been made regarding the decrease in revenue of the KTCT in the new financial year due to the pneumonia epidemic and global economic downturn?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 46)

Reply:

The Government is committed to developing Hong Kong into an international cruise hub in the region, and has formulated comprehensive strategies and directions to ensure the balanced, healthy and sustainable development of cruise tourism in Hong Kong. The COVID-19 outbreak has hard hit the cruise tourism industry of Hong Kong and the world as a whole. Not only has it lowered tourists' interest in cruise travel, it also led to change of cruise itineraries and upset cruise lines' deployment plans, and affected other related industries such as aviation, hotel, sightseeing, transportation, retail and shipping, etc. The

Government has been closely monitoring the latest situation and is maintaining contact with the trade, so as to roll out supporting measures at appropriate times.

At present, a number of ports in the region have suspended receiving cruise ships, and cruise lines are redeploying cruise ships out of the region or have suspended their operation. As of early March, more than 30% of the originally scheduled ship calls visiting Hong Kong this year have been cancelled. The figures will continue to change when the situation of COVID-19 evolves.

The Kai Tak Cruise Terminal is currently operated by a terminal operator under commercial principles. The main sources of income of the operator are dockage and passenger fees. In view of the drop in the number of ship calls visiting Hong Kong, the operator's income will decrease accordingly. As the relevant income estimate involves commercially sensitive information, relevant figures cannot be disclosed.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)165

(Question Serial No. 2475)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2020-21 under Programme (7) Subvention: Hong Kong Tourism Board that the Government will continue to cultivate markets through attractive promotions. In this connection, please inform this Committee of:

- (1) the specific contents of the “attractive promotions” and how they are going to attract visitors from the target markets to Hong Kong;
- (2) the amount out of the \$1.5 billion provision in 2020-21 to be spent on the above promotions;
- (3) whether performance indicators have been set for evaluating the effectiveness of the above promotions.

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 47)

Reply:

The “attractive promotions” cited in the question refer to the promotions designated for cruise tourism mentioned in point 28 in the Matters Requiring Special Attention in 2020-21 under Programme (7) Subvention: Hong Kong Tourism Board of the Controlling Officer's Report. The relevant paragraph on cruise tourism is “promote the development of cruise tourism and reinforce Hong Kong's position as a leading cruise hub in the region by continuing to cultivate key source markets (e.g. Southern and Western China, India, Taiwan and Southeast Asia and North Asia) through attractive promotions”.

Subsequent to the blow dealt by the social events to the Hong Kong cruise tourism, the spread of the Coronavirus Disease 2019 (COVID-19) has also hard hit the cruise tourism industry of the world as a whole. Hong Kong Tourism Board (HKTB) will closely monitor the market development. Having taken into account multiple factors, including the spread of COVID-19 in Hong Kong and other source markets, the operational arrangements

of cruise terminals in the region, and cruise lines' plans to resume itineraries in Asia, etc, HKTB will roll out promotions tailored for the specific circumstances of different markets to restore consumer confidence for cruise tourism. At the same time, we will also strengthen support to the trade in attracting cruise lines to deploy ship calls to Hong Kong and step up our partnership with cruise lines for promotions in Hong Kong and various source markets. Moreover, we will actively cultivate new visitor segments to drive the recovery of cruise tourism.

The proposed total budget to be allocated for HKTB's head and worldwide offices on cruise tourism in 2020-21 is around HK\$36 million, which includes HKTB's proposed marketing budget and relevant additional funding. HKTB will set different indicators for evaluating the effectiveness of its work based on the nature of the promotions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)166

(Question Serial No. 2477)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2020-21 under Programme (6) that the Commerce and Economic Development Bureau will “prepare for the new tenancy of the Kai Tak Cruise Terminal”. Please inform this Committee of:

- (1) the specific contents of the “new tenancy” and how does it differ from the existing arrangement;
- (2) how does the above new arrangement help to enhance the standard of services provided by the terminal operator.

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 44)

Reply:

The Kai Tak Cruise Terminal (KTCT) is operated on commercial principles by a terminal operator appointed through open tender. In view of the expiry of the existing tenancy in mid-2023, the Government is preparing for a new tenancy with a view to improving the existing arrangements in various aspects, including passenger services, terminal operations, leasing mechanism, performance monitoring, etc.

Specific tasks include: consulting various stakeholders (including various government departments operating at the KTCT and the trade representatives of the Advisory Committee on Cruise Industry); reviewing past operation experiences at the KTCT; and examining the latest planning and development of areas in the vicinity of the KTCT.

The Government will revisit provisions of the existing tenancy agreement and draft a new tenancy agreement based on the outcome of the above work, among which we will impose improvement measures on terminal operator's service, we will also consider whether it is

necessary to adjust the leasing mechanism of the KTCT and the Government's revenue split ratio, and how to further utilise the terminal facilities and commercial floor area of the KTCT, for their improvement and enhanced service of the operator.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)167

(Question Serial No. 2479)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of Programme (6) Travel and Tourism, please inform this Committee of the following:

(1) What were the ratio of the Kai Tak Cruise Terminal (KTCT)'s total operating revenue to its expenditure and their percentage change in the past 3 financial years;

(2) The Financial Secretary mentioned in his Budget Speech that Hong Kong's economy was entering a "harsh winter". It is expected that the number of visitor arrivals will plummet and the shops in the cruise terminal may close down. Has any assessment been made as to whether the cruise terminal will continue to sustain loss in the new financial year?

(3) It had been reported in earlier years that the KTCT could not recover its costs until 2037 or 2038. Judging from the current economic situation, when will the \$8.2 billion investment of public funds be recovered according to the Government's latest projection?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 52)

Reply:

The Kai Tak Cruise Terminal (KTCT) is operated by a terminal operator under commercial principles, and any surplus and deficit are borne by the terminal operator. According to the tenancy agreement between the Government and the terminal operator, the terminal operator is required to pay to the Government a monthly fixed rental fee. In addition, the terminal operator is required to pay a variable rent which is set as designated percentages of the terminal operator's gross receipts. As the relevant income and expenditure of the terminal

operator involves commercially sensitive information, we cannot disclose the ratio of KTCT's total operating revenue to its expenditure.

During the six-year period from the commissioning of KTCT in 2013 to 2019, based on the rent (including both fixed and variable rent) received by the Government, the terminal operator's business conditions were good. However, the COVID-19 outbreak has hard hit the cruise tourism industry of Hong Kong and the world as a whole. The Government has been closely monitoring the latest situation and is maintaining contact with the trade, so as to roll out supporting measures at appropriate times. The Government will continue to discuss with the terminal operator and the trade on other possible helping measures.

The KTCT is an infrastructure dedicated for cruise berthing and cruise passengers embarking/ disembarking, and its final construction cost is about \$6.6 billion. In considering and analysing the benefits brought by KTCT, we should take a comprehensive approach in evaluating the long-term economic benefits. The Tourism Commission had conducted a mid-term assessment on the economic contributions brought by the cruise industry in Hong Kong. The result shows that the value added contributions brought by the cruise industry in Hong Kong in 2018 is estimated to be at \$1.736 billion, which has met the Government's estimate in 2008 when the construction of the KTCT was under consideration, and has achieved the then projected range of \$1.5 billion to \$2.6 billion per annum by 2023 five years in advance.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)168

(Question Serial No. 2482)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention in the new financial year under Programme (6), it is mentioned that the Government will “continue to monitor the implementation of the pilot scheme on food trucks”. Please inform this Committee of the following:

- (1) How many food trucks are still in operation?
- (2) What were the number of operation days, the operating income and expenditure, as well as the profit and loss account of the food trucks in the past 2 financial years? What were the changes thereof?
- (3) What were the 12 designated operating venues of food trucks and the utilisation rate of the pitches in the past 2 financial years? Where were the most and least utilised pitches located?
- (4) Has the Government assessed the impact on food trucks caused by the sluggish local economy and severe epidemic? How many food truck operators are expected to cease their business in the new financial year? If any, what are the details?
- (5) If the operating environment of food trucks does not show signs of improvement over the years, will the Government consider terminating the food truck scheme, and include it in the training programmes for civil servants as a case of failure in policy for topical study?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 54)

Reply:

The Food Truck Pilot Scheme (the Scheme) was launched in February 2017 and 15 food trucks commenced operation successively. Upon the withdrawal of 2 food trucks in December 2019 and February 2020, there are currently 13 food trucks operating under the Scheme.

In view of the business performance of the food trucks and in response to the opinions of operators of the Scheme, the Tourism Commission (TC) has rolled out a number of refinement measures since May 2017, including allowing the operators to opt whether to operate at the designated venues under the rotation schedule and pay service fees for the operation days only to provide greater room and flexibility for their operation. In 2018 and 2019, the operation rate of food trucks over the total available operating days is 48% and 35% respectively.

According to the statements of account submitted by the food truck operators, the total gross revenue of 15 food trucks (including the 2 food trucks withdrawn from the Scheme earlier) was about \$50 million as at mid-February 2020. Details are shown in the table below –

Gross revenue (up to mid-February 2020)	Number of food trucks
Over \$5 million to \$5.5 million	1
Over \$4.5 million to \$5 million	2
Over \$4 million to \$4.5 million	2
Over \$3.5 million to \$4 million	2
Over \$3 million to \$3.5 million	3
Over \$2.5 million to \$3 million	2
Over \$2 million to \$2.5 million	2
\$2 million or below	1

TC does not keep information on the operating cost of each food truck and thus unable to comment on their profit or loss.

In 2018 and 2019, the operation rate of food trucks over the total available operating days in the 8 designated venues is tabulated below:

Designated venue	2018	2019
Hong Kong Disneyland	about 99%	100%
Salisbury Garden	about 78%	about 52%
Tsim Sha Tsui Art Square	about 85%	about 70%
Ocean Park Hong Kong	about 54%	about 55%
Golden Bauhinia Square	about 44%	about 25%
Central Harbourfront Event Space	about 24%	about 7%
Wong Tai Sin Square	about 12%	about 1%
Energizing Kowloon East Venue 1	about 3%	about 1%

The Government understands that food trucks are operating under austere business environment. On top of the wavier for renewal fees for food factory licence, registered commercial vehicle licence and vehicle examination fee, the 50% rental concessions offered by the government venues for 6 months since 1 October 2019 has been further extended for 6 months till 30 September 2020. In addition, Ocean Park Hong Kong and Hong Kong Disneyland have reduced their rental for food trucks by about 30% and 20% for a period of 4 and 6 months respectively. Since March 2020, food trucks can also apply for a subsidy from the Food Licence Holders Subsidy Scheme under the Anti-epidemic Fund, under

which eligible holders of food factory licence in operation can receive a one-off subsidy of \$80,000.

TC will continue to communicate with food truck operators to facilitate their operation, to look for other new operating venues (such as Jockey Club HKFA Football Training Centre newly launched in November 2019). Also, TC will explore with venue management any helping measures to facilitate the food truck operation and launch other refinement measures.

Food truck is a commercial business. We do not comment on the reason for the withdrawal of individual food truck from the Scheme, and it is difficult to estimate whether there will be more withdrawal.

There remains about 1 year in the extension period of the Scheme. We will prepare the final evaluation report in 2020. It is premature to confirm the way forward of the Scheme at present.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)169

(Question Serial No. 3016)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the middle of last year, the Government has rolled out a number of measures to support the travel industry, including (a) launching a cash incentive scheme in October to subsidise travel agents for their receiving of inbound tourists; (b) launching an incentive scheme on green lifestyle local tours in December; (c) implementing the Travel Agents Subsidy Scheme under the Government's Anti-epidemic Fund, as well as (d) waiving the travel agents licence fees.

1. What are the amounts paid in each of the above measures? What are the average amount of subsidy received by each travel agent?
2. How many travel agents have been subsidised under the Travel Agents Cash Incentive Scheme? What are the respective numbers of inbound and outbound visitors received by the travel agents? How many inbound and outbound visitors has each travel agent received on average?
3. How many travel agents have been subsidised under the incentive scheme on green lifestyle local tours? What is the average amount of subsidy received by each travel agent?
4. In light of the epidemic, will the implementation period of the above two schemes be extended, or, will their application criteria be modified?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 8)

Reply:

The Travel Agents Incentive Scheme (TAIS) was launched on 18 November 2019, with the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC)

as the implementation agents. As at end February 2020, the HKTB and the TIC approved applications from about 680 travel agents in total, involving about 200 000 inbound and outbound travellers as well as cash incentives of about \$21 million in total.

The Green Lifestyle Local Tour Incentive Scheme (GLIS) was launched on 20 January 2020, with the TIC as the implementation agent. As at end February 2020, the TIC approved applications from 2 travel agents in total, involving cash incentives of about \$18,000.

In view of the severe impact of the COVID-19 outbreak on the travel industry, the Government announced on 28 February 2020 that the deadlines for the TAIS and the GLIS be extended from end March and end July 2020 respectively to end December 2020, so as to allow more time for the trade to leverage the opportunity of the travel industry's recovery later and best utilise the resources under both schemes. The Government has also increased the maximum number of travellers for claiming cash incentives per travel agent under the TAIS from 500 to 1 000, thus increasing the maximum amount of cash incentives that each travel agent can claim.

In addition, the Travel Agents Subsidy Scheme established under the Anti-epidemic Fund started to accept registration immediately upon the approval of the provision by the Finance Committee of the Legislative Council on 21 February 2020 night. As at 24 March 2020, we received over 1 710 registrations. Over 99% of the travel agents registered have already received the subsidy of \$80,000 each. The financial impact of the above measure will be absorbed by the Anti-epidemic Fund, which does not form part of the Appropriation Bill or the estimates on the General Revenue Account.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)170

(Question Serial No. 3017)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to carry out the legislative work for a statutory cooling-off period for certain consumer contracts, with a view to implementing the cooling-off period arrangement upon passage of the legislative proposal”:

1. Is there any difference between the current proposal on the scope of protection applicable to the cooling-off period and that introduced by the Government early last year?
2. What is the progress of the legislative work of the cooling-off period and is the bill expected to be introduced in the current session?
3. What work will be undertaken if the legislative process cannot be completed in the current session? For example, will legislative work then commence on the basis of the proposal of last year? What is the expected date of introduction of the bill into the Legislative Council?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 9)

Reply:

The Commerce and Economic Development Bureau released a consultation paper on 15 January 2019 to solicit public views on a proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts. Since the completion of the three-month consultation period, we have been considering the views received and carrying out the legislative drafting work, with a view to addressing the concerns of the trades on the one hand, and enhancing consumer protection on the other.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)171

(Question Serial No. 3019)

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

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

Programme: (9) Subvention: Competition Commission

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to consider applications for Decisions whether or not an agreement or conduct is excluded or exempt from the First or Second Conduct Rules and for Block Exemption Orders”:

1. What are the details of the above work?
2. In view of the rulings of the Competition Tribunal on a number of cases last year, has the Competition Commission updated the guidelines for various trades as well as the internal enforcement guidelines and procedures of the Commission accordingly?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 11)

Reply:

Since the full commencement of the Competition Ordinance in December 2015, the Competition Commission (“the Commission”) has handled two applications for decisions. The first application, submitted by 14 banks, sought a decision from the Commission confirming that the First Conduct Rule of the Competition Ordinance (“the Ordinance”) does not apply to the giving effect to the Code of Banking Practice by the banks, by virtue of the exclusion in section 2 of Schedule 1 to the Ordinance. The second application, submitted by the Hong Kong Association of the Pharmaceutical Industry, sought a decision from the Commission confirming that the First Conduct Rule of the Ordinance does not apply to the operation of its proposed survey on sales of pharmaceutical products in Hong Kong, by virtue of the exclusion in section 1 of Schedule 1 to the Ordinance. In addition, the Commission has handled an application from the Hong Kong Liner Shipping Association for a block exemption order for certain liner shipping agreements. Before deciding on the cases, the Commission conducted extensive consultations and analysis.

Apart from the above cases, the Commission has been handling enquiries from other businesses and trade associations about possible applications.

The Commission has carefully studied the judgments handed down by the Competition Tribunal last year on the first two cases, and gives due regard to them when carrying out its investigation and enforcement work. The Commission has also been working to deepen the understanding of relevant industries on the cases and the related legal principles through various means, such as organising public seminars for small and medium enterprises and publishing the “Competition Case Series” leaflets. The Commission considers that no amendments to its guidelines are needed to reflect the judgments on the two cases.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3020)

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

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

Programme: (9) Subvention: Competition Commission

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Competition Commission (the Commission), the revised budget for 2019-20 is less than the original budget by 21.2% and the estimated budget for 2020-21 is 6.6% less than the original budget for 2019-20. However, it is mentioned in Programme (9) on page 304 that the increased provision for 2020-21 is "to support the operations and litigation work of the Competition Commission".

1. Why are both the budget for 2020-21 and the revised budget for 2019-20 less than the original budget for 2019-20?
2. How much of the increased provision for 2020-21 will be used for the operations and litigation of the Commission respectively? Regarding the provision for operations, what are the breakdown for various expenditure items such as rent and salary? On what basis does the Government calculate the provision required for litigation involved for the Commission in 2020-21?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 12)

Reply:

The Government provides subvention to the Competition Commission ("the Commission") to support its various functions to implement the Competition Ordinance. The subvention to the Commission for 2020-21 is estimated to be \$146.2 million, which includes \$120.5 million for the Commission's daily operations and \$25.7 million for its litigation work. It is estimated that around 65% of the provision for daily operations would be spent on staff costs, 5% on office accommodation costs and the remaining 30% on enforcement, advocacy and other daily operating expenses.

Compared to the original estimate for 2019-20, the decreases in the revised estimate for 2019-20 and the 2020-21 estimate are mainly due to the downward adjustment in litigation expenses, which are estimated by the Commission based on the progress and development of cases.

Compared to the revised estimate for 2019-20, the increase in the 2020-21 estimate is \$22.9 million, comprising \$21.6 million (94%) for supporting the Commission's litigation work; and \$1.3 million (6%) for the Commission's daily operation. In arriving at the litigation estimate, the Commission has taken into account the estimated progress of its litigation cases in 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)173

(Question Serial No. 3030)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to take forward the expansion projects of the Hong Kong Disneyland Resort” (HKDL) and the monitoring of its development, will the Government advise on the following:

1. What is the progress of the expansion works? Has the HKDL studied any other expansion projects apart from the one already submitted to the Legislative Council?
2. The company which initially intended to build a flower garden at the HKDL Phase 2 site has withdrawn its application. Is there any other private enterprise intending to rent the site? Other than private enterprises, did any organisations rent the site in 2019-20 or show interest in renting the site in 2020-21 for holding events? If yes, what are the details?
3. As the validity period of the option to buy the Phase 2 site will expire in September 2020, when will the Government begin negotiating with the Hongkong International Theme Parks Limited (HKITP) in this respect? Will the Government discuss with the HKITP on relaxing the land use restriction of the Phase 2 site?
4. Given the long waiting list for public rental housing (PRH), many grassroots citizens awaiting PRL have to dwell in small sub-divided units. Has the Government examined with the HKITP the possibility of constructing modular transitional housing at the Phase 2 site? If yes, what is the progress?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 15)

Reply:

Currently, Hong Kong Disneyland Resort (HKDL) is actively taking forward its expansion and development plan, and various new attractions are being rolled out progressively between 2018 and the coming few years. Two new attractions of the expansion and development plan, the “Moana: A Homecoming Celebration” stage show and “Ant-Man and The Wasp: Nano Battle!” attraction were launched in May 2018 and March 2019 respectively. Other new items include the “Castle of Magical dreams” planned for opening in the second half of 2020 with entirely new daytime and night time shows, as well as the themed areas based on “Frozen” and “Marvel” superheroes to be rolled out in future. At this stage, HKDL will focus on implementing its expansion and development plan, with a view to growing its business and preparing for its further development.

As regards the site to the east of HKDL reserved for its possible Phase 2 development (the Phase 2 site), there is an application for short-term tenancy submitted by an organisation to the Government in 2018 for using part of the Phase 2 site as courts for ball game practice. The Government is processing the application in accordance with the established procedures and has requested the organisation to submit further information for consideration by the relevant bureaux and departments. The Government has not received any application from other organisations for holding events at the Phase 2 site in 2019-20 and 2020-21 so far.

Moreover, according to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company (TWDC) as shareholders) in 2000, the joint venture has an Option to purchase the Phase 2 site for taking forward HKDL’s further development. The Option is valid until September 2020 and can be extended for five years to September 2025. As shareholders of the joint venture, the Government and TWDC explore from time to time the direction of HKDL’s long term development, including the arrangements under the Option Deed and related discussion.

Before the joint venture exercises the Option for the Phase 2 site, the site can be put to short-term uses that comply with the permitted uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc, but not residential use. In fact, to determine whether an individual site is suitable for transitional housing purpose, considerations have to be given to many factors such as planned use, site conditions, technical limitation and supporting infrastructure, etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)174

(Question Serial No. 0511)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Government will support local enterprises and professional services sectors to go global with Mainland enterprises to tap overseas markets. In the past year, how many visits did local enterprises and professional services sectors make to the Belt and Road related countries and regions with Mainland enterprises to tap overseas markets? Did the Government provide any support and assistance regarding these visits and what were the achievements made?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 22)

Reply:

The HKSAR Government has been in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative for enterprises and the professional services sector in Hong Kong. The Commerce and Economic Development Bureau (CEDB) from time to time organises business and professional missions to Belt and Road related countries and regions, and thereby promotes Hong Kong's unique strengths. For instance, CEDB led missions comprising representatives from businesses, professional services sector and start-ups to Georgia and Hungary, and Malaysia and Thailand respectively in March and November 2019. Arrangements were made for mission delegates to meet with local government officials responsible for commerce and industry, investment and infrastructure development, etc., and they gained a better understanding of the latest local market situation. "One-on-one" business matching sessions were also featured in some of the mission programmes, further fostering business matching and collaboration amongst Hong Kong enterprises and professional services sector as well as local businesses. Besides, a joint mission comprising Hong Kong and Mainland enterprises and professional services was organised in conjunction with the Ministry of Commerce to Spain, Serbia and the United Arab Emirates in June 2019, with a view to promoting "going global" en bloc and exploring tripartite business matching and

collaboration opportunities for Hong Kong, Mainland and local enterprises. Positive feedback was received from the relevant parties on the above missions, and some of the participating enterprises and organisations have thus established new connections.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)175

(Question Serial No. 0513)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. What is the estimated number of enterprises that can be benefited from the concessionary low-interest loan introduced under the SME Financing Guarantee Scheme (the scheme), under which 100% guarantee will be provided by the Government? What is the expected default rate?

2. Some enterprises still reflect that banks remain conservative when considering loan approval, making it not easy to obtain loans. Has the Government looked into the situation and examined how to encourage more banks to participate in the scheme and approve more loans?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 24)

Reply:

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS), for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

Based on the maximum loan amount of \$2 million per enterprise, the new Special 100% Guarantee Product can benefit at least 10 000 enterprises. A default rate of 25% is assumed for calculating the estimated expenditure of the new product, considering that no credit assessment will be carried out and applicants are SMEs hard hit by the economic downturn.

Under the new Special 100% Guarantee Product, while loan applications are processed by lending institutions, the loans will be transferred from the lending institutions to the Hong Kong Mortgage Corporation Limited after drawdowns, and all default risks will be borne by the Government with the provision of 100% guarantee. This arrangement will facilitate lending institutions to approve the loans more expeditiously.

The Government and the HKMC Insurance Limited have met with representatives of the Hong Kong Association of Banks (HKAB) and the Hong Kong Monetary Authority in mid-March, and encourage the banking sector's participation. HKAB is very supportive to the Special 100% Guarantee Product. A number of major banks have also indicated interest in participation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)176

(Question Serial No. 0514)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. It is mentioned that an additional provision of over \$700 million will be allocated to the Hong Kong Tourism Board (HKTB) for enhancing external promotion efforts to revive our tourism industry when the epidemic is over. Will such efforts be extended to the promotion of local tourism projects in Hong Kong to attract the participation of local people? If not, what are the reasons?
2. Will there be additional provision to encourage HKTB to, apart from focusing on overseas promotion, collaborate with local retail enterprises to organise more post-epidemic events to attract overseas visitors, including the offer of big sales and concessions by major shops to strengthen tourism consumption and boost the economy? If not, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 25)

Reply:

To counteract visitors' dampened confidence in visiting Hong Kong due to social events, the Hong Kong Tourism Board (HKTB) has developed a strategy in late 2019 to stimulate local spending, which in turn attracts visitors from different source markets through positive messages. In December 2019, HKTB launched and promoted in key source markets a platform consolidated with citywide offers to encourage spending of locals and attract visitors to Hong Kong to the benefit of travel agents, hotels, attractions, restaurants and shops etc. Feedback has been overwhelming since the launch and the platform has over 3.8 million page views as of January 2020. Amusement park's buy-one-get-one-free tickets were sold out. Weekly surprise offers for dining were also snapped up instantly.

The COVID-19 outbreak is hitting the tourism industry globally, and consumers' travel desire is sluggish. Therefore, once the epidemic subsides, HKTB will continue to adopt the aforementioned strategy and work with different trades in Hong Kong, including the retail sector, to roll out campaign for stimulating local spending. In order to revitalise market atmosphere and restore consumer confidence, HKTB is also looking into the incorporation of elements about district tourism to encourage participation from locals and expatriates.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)177

(Question Serial No. 0515)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Regarding the allocation of \$150 million to the Trade Development Council (TDC) for taking various initiatives to promote Hong Kong and organising trade delegations, what factors will be taken into consideration in choosing countries/places for such initiatives and delegations? Have any countries/places been identified initially? Is the provision time-limited in nature?
2. Over the past year, how many enterprises participated in similar delegations? Will the Government consider allowing more enterprises, in particular small and medium enterprises (SMEs), to join such delegations to help them explore business opportunities?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 26)

Reply:

The Hong Kong Trade Development Council (TDC) promotes and reinforces Hong Kong's role as a two-way investment and trade hub through various measures. Amongst others, in 2019-20, TDC set up Hong Kong Pavilions in major fairs on the Mainland such as the *China International Import Expo*. Also, TDC showcased various Hong Kong brands and helped Hong Kong enterprises explore markets through its *Design Gallery* network with 40 physical retail outlets on the Mainland and presence on 3 e-commerce platforms, as well as the *DG Studio* initiative in Thailand and Malaysia. TDC also organised 26 missions with destinations including the Mainland, Malaysia, Spain, United Arab Emirates and Vietnam, etc. Over 450 companies participated in these missions.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong

Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for SMEs and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)178

(Question Serial No. 0527)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the present manpower position of the Belt and Road Office (BRO)? What specific work will be implemented in the coming year to take forward the work on the Belt and Road Initiative? Will such work be effective in forging the closer co-operation between Hong Kong and the Mainland, and hence conducive to the seeking out of Belt and Road related business opportunities?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 38)

Reply:

The HKSAR Government has been in earnest establishing various platforms with a view to exploring opportunities brought by the Belt and Road Initiative (B&RI) for enterprises and the professional services sector in Hong Kong. Related efforts include undertaking policy co-ordination with relevant Mainland authorities, and embarking on collaboration in respect of capacity building and organisation of sharing sessions, etc.; as well as following up on the implementation of the "Arrangement between the National Development and Reform Commission and the Government of the HKSAR for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative" through the Joint Conference, which will have its third meeting in mid-2020. Besides, the Commerce and Economic Development Bureau and the Ministry of Commerce have established a Mainland and Hong Kong Belt and Road Task Group under the Mainland and Hong Kong Economic and Trade Co-operation Committee, and two high-level meetings of the Task Group have been held.

In the coming year, the HKSAR Government will continue to proactively play the role of "facilitator" and "promoter" to strengthen related efforts, as well as to assist tapping related business prospects. Meanwhile, we will continue to facilitate business matching between Hong Kong and Mainland enterprises, and promote partnership amongst enterprises and

professional services sector to enable their leveraging of opportunities arising from the B&RI. These include co-organising with the Hong Kong Trade Development Council the fifth Belt and Road Summit on 9 and 10 September 2020 to promote business matching and collaboration; organising business and professional mission(s) to Belt and Road related countries and regions to explore opportunities and promote Hong Kong's unique strengths, including a joint mission in conjunction with the Ministry of Commerce comprising Hong Kong and Mainland enterprises and professional services sector for "going global" en bloc; as well as co-organising with relevant Mainland authorities a host of business sharing and matching sessions to facilitate collaboration and exchanges between enterprises. Steps will also be taken to facilitate and promote interested Hong Kong enterprises to try out in setting up businesses in the Mainland's overseas Economic and Trade Co-operation Zones, etc.

In 2020-21, the BRO will have a total establishment of 21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)179

(Question Serial No. 0528)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong's economy is currently beset with uncertainties brought by the US-China trade conflict on the external front and is upset by the repercussions of the epidemic and social incidents on the internal front. With 50 offices worldwide, including 13 in the Mainland, how will the Hong Kong Trade Development Council make use of the offices to better publicise and promote Hong Kong's economy? What are the specific work and amount of resources involved?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 39)

Reply:

The Hong Kong Trade Development Council (TDC) has 50 offices worldwide (including 13 on the Mainland) and endeavours to promote Hong Kong as a two-way global investment and business hub. The offices have all along been in close contact with the local business circle and helped organise various trade promotion and business matching activities, with a view to facilitating exchanges and cooperation between enterprises from Hong Kong, the Mainland and overseas.

In 2020-21, the Government proposes to provide an additional one-off subvention of \$150 million to TDC. In the year, besides continuing to help Hong Kong businesses diversify business development, enter new markets, further explore mature markets and seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, TDC will also rebuild international confidence on Hong Kong as Asia's commercial hub, create opportunities for small and medium enterprises (SMEs) and explore opportunities in markets worldwide, as well as strengthen TDC's buyer recruitment efforts under the uncertain global trade environment. Among others, TDC will set up Hong Kong Pavilions in large-scale exhibitions in major cities such as those in Europe and the Mainland; promote Hong Kong

products by online and offline marketing through the *Design Gallery* network and setting up pop-up stores; strengthen promotion of Hong Kong products and services in cities in the Greater Bay Area; and help SMEs explore opportunities in the Association of Southeast Asian Nations (ASEAN) by organising missions focusing on specific markets and industries and conducting market research on industrial parks in ASEAN countries. TDC's offices worldwide will help organise local events and actively invite companies worldwide to participate in exhibitions in Hong Kong, as well as organise buyer missions to Hong Kong for sourcing. TDC will closely monitor the COVID-19 outbreak and take forward the relevant work in light of the situation.

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

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)180****(Question Serial No. 0529)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. The Hong Kong Tourism Board (HKTB) will waive all participation fees in HKTB hosted trade shows activities and provide marketing and promotion support to the travel trade. What is the expenditure involved?
2. Last year, the HKTB cancelled a number of tourism events due to the occurrence of social incidents. What were the original expenses involved? Will such expenses be allocated to the related events to be held this year? If yes, what are the details? If not, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 40)

Reply:

The Government has proposed to provide additional funding of \$791 million to HKTB in 2020-21 to step up promotion and revive the Hong Kong tourism industry. The following outlines the initial plan in four strategic directions:

Initiatives	Amount (HK\$ million)
1. Launching a global tourism brand campaign to rebuild Hong Kong's tourism image <ul style="list-style-type: none"> • Launching a new tourism brand campaign, with most of the resources used to conduct promotions in partnership with influential international media and digital platforms to draw attention of international consumers and stand out from regional competitors. 	226

Initiatives	Amount (HK\$ million)
<p>2. Strengthening support for the travel trade to open up business opportunities and recover visitors' momentum</p> <ul style="list-style-type: none"> • Subsidising the travel trade's promotions in source markets. Apart from waiving their participation fees for joining trade activities organised by HKTB in different markets and offering subsidies for air tickets and hotel accommodations for such trips, HKTB will organise travel missions to conduct roadshows in key markets as well as organising more trade activities in visitor source markets. • Increasing HKTB's contribution to the matching fund scheme to support the travel trade's marketing promotions. • Supporting merchants in the Quality Tourism Services Scheme by waiving the renewal fee for accredited merchants and offering a 50% reduction on the application fee for new joiners; and strengthening the promotion of the Scheme. 	117
<p>3. Stepping up promotions in source markets, cultivating new source markets and driving MICE tourism</p> <ul style="list-style-type: none"> • Intensifying promotions in source markets and for multi-destination travel, as well as striving to open up new source markets. • Strengthening trade support and promotion in the area of MICE tourism to attract the return of MICE events and bid for new international conventions. 	171
<p>4. Enriching and developing diversified tourism offerings by promoting event tourism and thematic tourism</p> <ul style="list-style-type: none"> • Enhancing the existing mega events and inviting more international events to be held in Hong Kong to boost the city's tourism attractiveness. 	277
Total	791

Among the additional funding, the allocation for waiving all participation fees of trade activities organised by the HKTB is about \$15 million.

In view of the social events and COVID-19 outbreak, HKTB had, after careful consideration, cancelled four mega events, namely "Hong Kong Dragon Boat Carnival", "Hong Kong Cyclothon", "Hong Kong Wine & Dine Festival" and "International Chinese New Year Carnival". In order to minimise the cost involved, HKTB had immediately discussed with various relevant contractors when decided to cancel the events. As the preparatory work for the events had started, HKTB still has to bear a total expenditure of about \$82 million.

According to the latest estimates in early March 2020, the total expenditure of HKTB in 2019-20 has been reduced by more than \$200 million as compared with the original estimate, which is attributed to the cancellation of events and putting on hold of some of the promotional activities. HKTB will apply to the Government for rolling over the remaining funds to 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)181

(Question Serial No. 6753)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since last year, the Government has administered various funding schemes, and indicated that it would closely monitor the implementation of the enhancement measures with a view to enhancing their effectiveness and utilisation.

With the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme, under which 100% guarantee will be provided by the Government, it is expected that there will be an increase in the number of applications. Will there be sufficient staff to cope with the work arising from the large number of applications so that there will not be any delay in processing the applications?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 37)

Reply:

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS), for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

The Government and the HKMC Insurance Limited (HKMCI) which administers the SFGS, are working full throttle on the related preparation. Like other existing products under the SFGS, applications for the Special 100% Guarantee Product will be processed by lending

institutions. The HKMCI and lending institutions are proactively preparing for the launch of the new product, including setting out clear and straightforward eligibility criteria, simplifying application documentation and procedures, as well as deploying resources to cater for the increased applications. The HKMCI will approve an application within three working days upon receipt of all the required documents from the lending institution.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)182

(Question Serial No. 0477)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to take forward the expansion projects of the Hong Kong Disneyland Resort” (HKDL) and the monitoring of its development:

1. What is the progress of the expansion works? Apart from the expansion plan submitted to the Legislative Council, is there any other expansion plan currently being considered by the HKDL?
2. The company which intended to build a flower-themed garden at HKDL’s Phase 2 site has withdrawn its application. Is there any other private enterprise intending to rent the site? Other than private enterprises, are there any organisations which have rented the site in 2019-20 or have shown interest in renting the site in 2020-21 for holding events? If yes, what are the details?
3. As the validity period of the option to buy the Phase 2 site will expire in September 2020, when will the Government begin negotiating with the Hongkong International Theme Parks Limited (HKITP) in this respect? Will the Government discuss with the HKITP regarding the relaxation of land use in the Phase 2 site?
4. Has the Government examined with the HKITP the possibility of using the Phase 2 site for building quarantine facilities or other purposes? If yes, what is the progress?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 4)

Reply:

Currently, Hong Kong Disneyland Resort (HKDL) is actively taking forward its expansion and development plan, and various new attractions are being rolled out progressively between 2018 and the coming few years. Two new attractions of the expansion and

development plan, the “Moana: A Homecoming Celebration” stage show and “Ant-Man and The Wasp: Nano Battle!” attraction were launched in May 2018 and March 2019 respectively. Other new items include the “Castle of Magical dreams” planned for opening in the second half of 2020 with entirely new daytime and night time shows, as well as the themed areas based on “Frozen” and “Marvel” superheroes to be rolled out in future. At this stage, HKDL will focus on implementing its expansion and development plan, with a view to growing its business and preparing for its further development.

As regards the site to the east of HKDL reserved for its possible Phase 2 development (the Phase 2 site), there is an application for short-term tenancy submitted by an organisation to the Government in 2018 for using part of the Phase 2 site as courts for ball game practice. The Government is processing the application in accordance with the established procedures and has requested the organisation to submit further information for consideration by the relevant bureaux and departments. The Government has not received any application from other organisations for holding events at the Phase 2 site in 2019-20 and 2020-21 so far.

Moreover, according to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company (TWDC) as shareholders) in 2000, the joint venture has an Option to purchase the Phase 2 site for taking forward HKDL’s further development. The Option is valid until September 2020 and can be extended for five years to September 2025. As shareholders of the joint venture, the Government and TWDC explore from time to time the direction of HKDL’s long term development, including the arrangements under the Option Deed and related discussion.

Lastly, in view of the COVID-19 outbreak and the related measures to combat the disease, TWDC has agreed to explore the possibility of building temporary quarantine facilities at the Phase 2 site. The Government is following up on this matter.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)183

(Question Serial No. 0480)

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

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

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please set out the respective salary provisions for the Secretary, Under Secretary and Political Assistant to Secretary for Commerce and Economic Development in 2020-21.
2. What is the staff establishment of the Director of Bureau's Office in 2020-21? What is the salary provision for the entire Office and its percentage to the overall salary provisions under this Head?
3. As the work of the Office includes "planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions", what were the Secretary's respective attendances at (a) meetings of the District Councils (DCs) and (b) other community functions last year? What is the estimated figure of her attendance at DC meetings in 2020-21?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 7)

Reply:

The provisions reserved for the salary in respect of the positions of Secretary for Commerce and Economic Development (SCED), Under Secretary for Commerce and Economic Development (USCED) and Political Assistant (PA) to SCED for 2020-21 are \$4.18 million, \$2.72 million and \$1.05 million respectively.

In addition to SCED, USCED and PA to SCED, the establishment of the Director of Bureau's Office also comprises 8 civil service posts for providing administrative support. A total provision of \$5.81 million has been reserved in 2020-21 for their salary provisions, representing 0.2% of the overall salary provisions under the Head.

In 2019-20, SCED attended two District Council (DC) meetings and various functions from time to time to communicate with members of the public. In 2020-21, SCED will continue to attend DC meetings and community functions as necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)184

(Question Serial No. 0496)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Financing Guarantee Scheme, the SME Loan Guarantee Scheme and various products under the two schemes:

1. Please provide the following statistics on each product: (a) the number of applications received; (b) the number of applications approved; (c) the total loan amount of approved cases; and (d) the average loan size of approved cases;
2. What is the average loan interest rate for approved cases broken down by product category? Please also provide a breakdown of the approved cases by actual loan interest rate (i.e. less than 2%, 2 to 5%, 5 to 8%, 8 to 10%, and more than 10%);
3. What is the average number of employees of the enterprises of the approved cases broken down by product category? Please also provide a breakdown of the approved cases by company size (i.e. enterprises with less than 10 employees, 10 to 20 employees, 21 to 50 employees, 51 to 100 employees, and more than 100 employees); and
4. What are the numbers of applications received from and approved for different sectors broken down by product category?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 10)

Reply:

In order to relieve the liquidity problem facing small and medium enterprises (SMEs), the HKMC Insurance Limited (HKMCI) provides loans at a substantially reduced guarantee fee to enterprises through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS), launched respectively in May 2012 and December 2019. Since November 2018, three enhancement measures have been made to the 80% Guarantee Product (including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years). Moreover, the Trade and Industry Department provides loan guarantee to SMEs through the SME Loan Guarantee Scheme (SGS) to help them secure loans for acquiring business installations and equipment or as general working capital.

Up to February 2020, the breakdown of the application figures under the SFGS and the SGS is as follows :

	SFGS		SGS
	80% Guarantee Product	90% Guarantee Product	
Number of Applications Received	19 672	390	35 406
Number of Applications Approved	17 587	319	32 268
Total Loan Amount of Approved Cases (\$)	73.661 billion	0.528 billion	55.5 billion
Total Guarantee Amount of Approved Cases (\$)	58.928 billion	0.475 billion	26.6 billion
Average Loan Amount of Approved Cases (\$)	4.19 million	1.65 million	1.72 million

Up to end February 2020, the breakdown of approved cases by actual loan interest rate per annum and the average interest rate per annum for approved cases under the SFGS and the SGS is as follows :

	SFGS		SGS ^{Note 1}
	80% Guarantee Product	90% Guarantee Product	
Not higher than 3%	443	0	5 816
High than 3% but not higher than 5%	8 060	23	12 535
Higher than 5% but not higher than 8%	8 546	295	2 601
Higher than 8% but not higher than 10%	460	1 ^{Note 2}	116
Higher than 10%	78	Not applicable	66
Average Interest Rate per Annum for Approved Cases	4.88%	6.80%	3.90%

Note 1: These figures include only loans at fixed annual interest rates which account for about 65% of the total number of applications approved under the SGS. Loans at floating rates are not included.

Note 2: Under the 90% Guarantee Product, the maximum loan interest rate is 8% per annum for enterprises with operating history of more than three years, and 10% per annum for enterprises with operating history of three years or less.

Up to end February 2020, the breakdown of approved cases by company size and the average number of employees of the enterprises of the approved cases under the SFGS and the SGS is as follows :

	SFGS		SGS
	80% Guarantee Product	90% Guarantee Product	
1 to 10 employees	10 320	249	24 071
11 to 20 employees	3 261	40	4 547
21 to 49 employees	2 322	25	3 343
50 to 99 employees	1 017	4	307
100 employees or above	667	1	0
Average Number of Employees of the Enterprises of the Approved Cases	26 employees	9 employees	9 employees

Up to end February 2020, the breakdown of the number of applications approved under the SFGS by sector is as follows :

80% Guarantee Product

Sector	Number of Applications Approved	Percentage of Total Number of Applications Approved
Manufacturing	3 397	19.3%
Non-manufacturing	14 190	80.7%
Trading, Wholesale and Retail	9 646	54.8%
Engineering and Construction	1 296	7.4%
Others	3 248	18.5%
Total	17 587	100%

90% Guarantee Product

Sector	Number of Applications Approved	Percentage of Total Number of Applications Approved
Manufacturing	22	6.9%
Non-manufacturing	297	93.1%
Trading, Wholesale and Retail	137	42.9%
Engineering and Construction	25	7.8%
Others	135	42.3%
Total	319	100%

Up to end February 2020, the breakdown of the number of applications approved under the SGS by sector is as follows :

Sector	Number of Applications Approved	Percentage of Total Number of Applications Approved
Manufacturing	18 810	58.3%
Non-manufacturing	13 458	41.7%
Trading, Wholesale and Retail	7 306	22.6%
Engineering and Construction	1 409	4.4%
Others	4 743	14.7%
Total	32 268	100%

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)185

(Question Serial No. 0497)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continuing to plan for new convention and exhibition facilities”,

1. What is the current progress of the redevelopment of the sites of the 3 government towers in Wan Chai North and Kong Wan Fire Station for convention and exhibition (C&E) use?

2. In view of the excessive settlement and other problems occurred in the works under the Shatin to Central Link (SCL) project near the Exhibition Centre Station, will there be any changes to the plan to construct a new convention centre above the Exhibition Centre Station, such as delay in the implementation of the plan for the convention centre?

3. It was mentioned in the Policy Address 2018 that the Government would discuss with the Airport Authority Hong Kong (AAHK) the Phase Two expansion plan of AsiaWorld-Expo (AWE). Has the Commerce and Economic Development Bureau (CEDB) commenced discussion of the expansion plan with the AAHK? Is there any development direction? What are the manpower and ranks of the officials involved?

4. What is the Government's latest assessment of the supply and demand of C&E venues? What are the details of the current projection of the supply of C&E venues in the coming decade? Please set out the details such as locations, estimated floor areas to be provided and commissioning dates with a breakdown by venue.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 11)

Reply:

In order to reinforce the competitive advantages of the Convention and Exhibition (C&E) industry of Hong Kong, we are actively proceeding with the redevelopment of the sites of

the three government towers in Wan Chai North and the Kong Wan Fire Station into C&E facilities, hotel and office premises. We are planning and constructing as planned a number of new government buildings in various districts to relocate the government departments and law courts concerned. The sites are expected to be vacated by 2026 at the earliest for demolition and redevelopment. On the redevelopment, we are working in full steam on technical assessments and design, and will consult stakeholders and conduct town planning procedures as soon as possible.

We are also liaising with relevant bureaux and departments on the topside development of the Exhibition Centre Station of the Shatin to Central Link.

In addition, the Airport Authority (AA) conducted a consultancy study on the Phase Two expansion of AsiaWorld-Expo and is reviewing the study result. The Government will discuss with AA the expansion plan.

The work related to the planning of new C&E facilities has been subsumed under the staff establishment of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)186

(Question Serial No. 0553)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the two items concerning the development of the Hong Kong Ocean Park (Ocean Park) under the Matters Requiring Special Attention, namely, “continue to work closely with the Ocean Park Corporation to facilitate its implementation of the waterpark and hotel projects, as well as its education tourism projects” and “support, subject to availability of funding, the Ocean Park Corporation to implement the strategic repositioning plan”:

1. What are the Government's staff establishment and expenditure for the above work? Will any manpower be arranged to monitor the Ocean Park's financial situation?
2. What is the expenditure of the current waterpark development project? What is the estimated outturn expenditure, and how much does it differ from the initial estimated amount?
3. What are the estimated completion and opening dates of the waterpark and hotel development projects respectively?
4. As for the Ocean Park's brand new strategic repositioning plan, when does the Government plan to submit funding application to the Legislative Council for consideration? Will there be any changes in the contents of the plan?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 27)

Reply:

To enhance its attractiveness, Ocean Park is implementing education tourism initiatives as well as building an all-weather waterpark. It is also taking forward the Fullerton Ocean Park Hotel Hong Kong project. These projects will be completed progressively within 2021.

The estimated cost for the Tai Shue Wan waterpark project (Project) was \$2.29 billion in 2013 before making changes in design. The latest project cost is \$3.86 billion while the total project cost can only be confirmed subject to the overall completion of the project.

The Commerce and Economic Development Bureau and other departments work closely with the Ocean Park Corporation to facilitate its implementation of the waterpark and hotel projects, the education tourism project as well as the Strategic Repositioning Plan. We can hardly quantify the expenditure and number of staff involved separately.

In view of the COVID-19 outbreak and for the safety of the visitors and employees, the Ocean Park has been temporarily closed since 26 January. The arrangement has further worsened the Park's financial situation, not only necessitating the Park to take more drastic cost cutting measures, but also making the need for Government's financial support more imminent. We have already consulted the Legislative Council (LegCo) Panel on Economic Development on 20 January 2020 regarding the Ocean Park's Strategic Repositioning Plan. We will keep reviewing the situation, and report to the LegCo at an appropriate juncture.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)187

(Question Serial No. 0775)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 27(1) of the Budget Speech that the Government will introduce “a concessionary low-interest loan, under which 100% guarantee will be provided by the Government. The application period will last for six months. The maximum amount of loan for eligible enterprises is based on their salary and rental expenditures for six months, subject to a ceiling of \$2 million. The repayment period is up to three years and, on an opt-in basis, a principal moratorium is available for the first six months during which only interest payments have to be made. The Government will provide guarantee of up to \$20 billion under this concessionary loan scheme”. According to the Hong Kong Mortgage Corporation Limited (“HKMC”), the concessionary low-interest loan will be directly financed and provided by it, while the banks will only be responsible for handling and relaying applications. Please advise on:

1. the banks' criteria in vetting and approving loan applications;
2. the maximum annual interest rate of the concessionary low-interest loan scheme, and ultimately whether it is for the banks or HKMC to decide the annual interest rate of loans for individual applicants;
3. whether the banks could charge any fees to avoid lacking the incentive to handle and relay applications;
4. the time taken, as estimated by HKMC, for each stage of an application, from submission of the application by the applicant, to vetting and approval by the bank, to vetting by HKMC and successful receipt of the loan by the applicant.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 31)

Reply:

The Government recognises that different sectors have since early 2019 been suffering from the threefold impact of the US-China trade conflict, the social incidents and the COVID-19 outbreak, facing significant difficulties in running their businesses. To this end, the Government has announced in this year's Budget the introduction of a concessionary low-interest loan under the SME Financing Guarantee Scheme, for which the Government will provide 100% guarantee, so as to alleviate SMEs' burden of paying wages and rents due to drop in revenue, thereby reducing business closures and layoffs. The Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

The new product is applicable to Hong Kong enterprises of all sectors with a genuine need. Loan applicants should have been operating and holding a valid Business Registration Certificate for at least three months at the end of December 2019, and provide proofs that they have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter in 2019. In processing applications, lending institutions mainly check whether the applicants fulfil the aforementioned eligibility criteria.

Under the Special 100% Guarantee Product, an interest rate of the Hong Kong Prime Rate^{Note} minus 2.5% per annum, i.e. effective interest rate currently at 2.75% per annum, will be charged. The guarantee fee will be waived.

Note: The Hong Kong Prime Rate means the prime rate as specified and announced by the Hong Kong Mortgage Corporation from time to time. As at end February 2020, the rate is 5.25% per annum.

Lending institutions will not charge any extra fees on loan applicants of the Special 100% Guarantee Product. For each successful drawdown of loan which is transferred to the Hong Kong Mortgage Corporation Limited, the lending institution will receive an originating fee, as well as a loan servicing fee for provision of loan management services.

The HKMC Insurance Limited will approve an application within three working days upon receipt of all the required documents from the lending institution.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)188

(Question Serial No. 0782)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards “supporting small and medium enterprises (SMEs)”, please advise the following:

Does the Government plan to provide cash subsidies to the SMEs that have not benefited from the cash subsidy schemes under Anti-epidemic Fund?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 32)

Reply:

The Government recognises that various sectors have been facing difficulties in running their businesses since early 2019, suffering from the threefold impact of the US-China trade conflict, social incidents and the COVID-19 outbreak. To this end, the Government has since August 2019 implemented four rounds of relief measures amounting to more than \$30 billion. More than \$120 billion of counter-cyclical measures were also announced in the Budget to support various sectors, with a view to attaining the targets of “support enterprises, safeguard jobs, stimulate the economy and relieve people’s burden”. Such measures include waiving profits tax, rates for non-domestic properties and business registration fees, subsidising electricity charges, waiving water and sewage charges as well as reducing rental and charges for Government premises and Government land, etc.

In order to relieve the liquidity problem facing small and medium enterprises (SMEs), the HKMC Insurance Limited (HKMCI) provides loans at a substantially reduced guarantee fee to enterprises through the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS). Since November 2018, three enhancement measures have been made to the 80% Guarantee Product (including reducing the annual guarantee fee rates by 50%, increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from five years to seven years); and in September 2019, the Government introduced the arrangement for principal moratorium for

maximum 12 months under the SFGS and Trade and Industry Department's SME Loan Guarantee Scheme. With a view to helping smaller-sized enterprises, businesses with relatively less operating experience and professionals seeking to set up their own practices, the Government launched the 90% Guarantee Product on 16 December 2019.

The Government has announced in this year's Budget the introduction of a concessionary low-interest loan with 100% Government guarantee under the SFGS applicable to SMEs of all sectors, for which the Government will provide a total loan guarantee commitment of \$20 billion. We have obtained approval from the Finance Committee of the Legislative Council on 20 March 2020 for the aforementioned commitment and the relevant expenditure, and will roll out the Special 100% Guarantee Product within April.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4037)

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

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

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

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding "monitored the operation of the Post Office Trading Fund and implementation of improvement measures on customer service and productivity",

1. What are the total number of cash withdrawal transactions handled by each post office, the total transaction amount, and the average amount of cash per transaction since the launch of the cash withdrawal service for the elderly last year in all post offices by the Hong Kong Post?
2. At present, what is the non-recurrent expenditure (including expenses on system installation and yearly system maintenance) on the provision of cash withdrawal service for the elderly for each post office and the recurrent expenditure? What is the expense in relation to the handling charge paid to the EPS?
3. What will be the Post Office's work on "improvement measures on customer service and productivity" in 2019-20?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 53)

Reply:

Hongkong Post (HKP) extended its cash withdrawal service for senior citizens to all post offices (including mobile post offices) on 2 July 2019. As at 7 March 2020, HKP has processed 323 transactions under the cash withdrawal service without purchases for senior citizens. The total amount of transactions is \$143,400 and the average amount is about \$444. Transactions in the 70 post offices range from 1 to 44 per post office. No non-recurrent expenditure was incurred for expanding the service to all post offices, while the recurrent expenditure for providing the service is minimal. No transaction fee is charged by EPS.

To enhance customer service and productivity, HKP implemented the following measures in 2019-20:

- added 10 iPostal Stations to provide the public with greater flexibility in collecting mail items;
- replaced all Electronic Stamp Vending Machines with Postage Label Vending Machines (PLVM). The new PLVM is supplemented with a postage enquiry function, supports the sale of postage labels with more preset values and accepts payment with Octopus card, thus offering more comprehensive services to the public;
- sent a message via the Short Message Service (SMS) of mobile phones to the recipient on the day of delivery to notify him/her of the door delivery arrangement of a Speedpost item or parcel, thus enabling the recipient to have a better grasp of the delivery status and make necessary arrangements to receive the item;
- enhanced the arrangement for collecting underpaid mails, where a notification was issued to collect surcharges from senders for underpaid local mails bearing a return address;
- completed the preparation work for the redevelopment of the Air Mail Centre at the Hong Kong International Airport with a view to enhancing its handling capacity and efficiency;
- centralised the operations of mechanised letter sorting machines on the same floor at the Central Mail Centre to maximise the resources and space utilisation for business development; and
- re-organised postal vehicle routes to enhance operation efficiency.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)190****(Question Serial No. 0946)**

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

Subhead (No. & title): (001) Salaries

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the salaries, allowances, job-related allowances and related expenses to be incurred by the Office of the Secretary for Commerce and Economic Development in 2020-21, please tabulate the following information:

- (1) the estimated expenditures on the (i) salaries, (ii) benefits and allowances, (iii) job-related allowances, (iv) Mandatory Provident Fund (MPF) contribution and (v) other allowances and contribution (please specify) of (a) the Secretary for Commerce and Economic Development (SCED), (b) the Under Secretary for Commerce and Economic Development (USCED) and (c) the Political Assistant (PA) to SCED in this financial year. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above;

	(i) Salaries	(ii) Benefits and allowances	(iii) Job-related allowances	(iv) MPF contribution	(v) Other allowances and contribution (please specify)
(a) SCED					
(b) USCED					
(c) PA to SCED					
(d) Total estimated expenditure of the Bureau					

- (2) the estimated expenditures on the benefits and allowances for (a) SCED, (b) USCED and (c) PA to SCED in this financial year, including the following four categories of expenditures: (i) their medical and dental benefits, (ii) the medical and dental benefits of their spouses, (iii) their leave passage allowances and (iv) the leave passage allowances of their spouses. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above;

	(i) Medical and dental benefits	(ii) Medical and dental benefits of spouses	(iii) Leave passage allowances	(iv) Leave passage allowances of spouses
(a) SCED				
(b) USCED				
(c) PA to SCED				
(d) Total estimated expenditure of the Bureau				

- (3) the estimated expenditures on the (i) government vehicle services and (ii) security arrangements for (a) SCED, (b) USCED and (c) PA to SCED in this financial year. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above;

	(i) Cars and chauffeur services	(ii) Security arrangements
(a) SCED		
(b) USCED		
(c) PA to SCED		
(d) Total estimated expenditure of the Bureau		

- (4) the estimated expenditures on the job-related allowances for (a) SCED, (b) USCED and (c) PA to SCED in this financial year, including the following two categories of expenditures: (i) official entertainment and (ii) passage for duty visits. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above; and

	(i) Official entertainment	(ii) Passage for duty visits
(a) SCED		
(b) USCED		
(c) PA to SCED		
(d) Total estimated expenditure of the Bureau		

- (5) the estimated expenditures on the end-of-contract gratuity for (a) SCED, (b) USCED and (c) PA to SCED upon the completion of their term of office, including the following two categories of expenditures: (i) end-of-contract gratuity and (ii) related allowances. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above.

	(i) End-of-contract gratuity	(ii) Related allowances
(a) SCED		
(b) USCED		
(c) PA to SCED		
(d) Total estimated expenditure of the Bureau		

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 1)

Reply:

The provisions reserved for the salary in respect of the positions of Secretary for Commerce and Economic Development (SCED), Under Secretary for Commerce and Economic Development (USCED) and Political Assistant (PA) to SCED for 2020-21 are \$4.18 million, \$2.72 million and \$1.05 million respectively. The provisions for the Mandatory Provident Fund contribution for each of these three positions are \$18,000.

The provisions reserved for official entertainment and overseas duty visits for our Office of the Director of Bureau (including SCED and other officials of the Office) for 2020-21 are \$0.12 million and \$2.24 million respectively.

SCED, USCED and PA to SCED and their families are entitled to the same medical and dental benefits available to civil servants and their families. The Director of Bureau is provided with free use of a car together with a driver at his discretion in Hong Kong. The use of government car by the Deputy Director of Bureau and Political Assistant to Director of Bureau shall be governed by rules and regulations applicable to civil servants at comparable levels.

As regards the leave passage allowances, regularly-paid allowances, job-related allowances, security arrangements, end-of-contract gratuity and related allowances, no provisions are made for the above three positions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)191

(Question Serial No. 0633)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the impact of social incidents and the novel coronavirus epidemic, Hong Kong's visitor arrivals plummeted, and the food trucks operators have no choice but to cease operation. In this connection, will the Government inform this Committee of the following:

1. the expenditure and manpower incurred in supporting the operation of food trucks in the past 2 years;
2. the estimated expenditure and manpower to be incurred in supporting the operation of food trucks in the coming year;
3. the operating condition of food trucks in the past 2 years;
4. the measures to be taken by the Government this year to support existing operators to keep operating their food truck business.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 2)

Reply:

The Tourism Commission (TC) set up a Food Truck Office in April 2016 to implement the Food Truck Pilot Scheme (the Scheme) and provide one-stop services to food truck operators. The Office has 6 civil service posts of 36 months, which are 1 Chief Executive Officer, 1 Senior Executive Officer, 1 Superintendent of Environmental Health, 1 Senior Health Inspector, 1 Health Inspector and 1 Assistant Clerical Officer, and 1 Assistant Manager/Executive Assistant employed on non-civil servant contract. The expenditure for 2018-19 is as follows:

Financial Year	Expenditure
2018-19	\$9.248 million

The Scheme has been extended for 2 more years from 3 February 2019 and the Food Truck Office continues to implement the Scheme. Except for the Superintendent of Environmental Health post which has already lapsed on 31 March 2019, the duration of the remaining 5 posts has been extended for 2 years. The expenditure for 2019-20 is as follows:

Financial Year	Expenditure
2019-20	\$6.231 million

The Government has earmarked \$5.736 million (including operating and personnel-related expenses) in 2020-21 for running the Scheme. The staff composition of the office will remain unchanged.

The Scheme was launched in February 2017 and 15 food trucks commenced operation successively. Upon the withdrawal of 2 food trucks from the Scheme in December 2019 and February 2020, there are currently 13 food trucks operating under the Scheme. According to the statements of account submitted by the food truck operators, the total gross revenue of 15 food trucks (including the 2 food trucks withdrawn from the Scheme earlier) was about \$50 million as at mid-February 2020. Details are shown in the table below –

Gross revenue (up to mid-February 2020)	Number of food trucks
Over \$5 million to \$5.5 million	1
Over \$4.5 million to \$5 million	2
Over \$4 million to \$4.5 million	2
Over \$3.5 million to \$4 million	2
Over \$3 million to \$3.5 million	3
Over \$2.5 million to \$3 million	2
Over \$2 million to \$2.5 million	2
\$2 million or below	1

The Government understands that food trucks are operating under austere business environment. On top of the waiver for renewal fees for food factory licence, registered commercial vehicle licence and vehicle examination fee, the 50% rental concessions offered by the government venues for 6 months since 1 October 2019 has been further extended for 6 months till 30 September 2020. In addition, Ocean Park Hong Kong and Hong Kong Disneyland have reduced their rental for food trucks by about 30% and 20% for a period of 4 and 6 months respectively. Since March 2020, food trucks can also apply for a subsidy from the Food Licence Holders Subsidy Scheme under the Anti-epidemic Fund, under which eligible holders of food factory licence in operation can receive a one-off subsidy of \$80,000.

TC will continue to communicate with food truck operators to facilitate their operation and to look for other new operating venues (such as Jockey Club HKFA Football Training Centre newly launched in November 2019). Also, TC will explore with venue management any helping measures to facilitate the food truck operation and launch other refinement measures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)192

(Question Serial No. 0634)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The cruise industry has been hard hit by the coronavirus epidemic. It is expected that many cruise lines will cancel their voyages to and from Hong Kong, as such, our cruise industry, particularly the Kai Tak Cruise Terminal and the shops therein, will inevitably suffer further setbacks. In this connection, will the Government inform this Committee of:

1. the specific measures to be adopted and the amount of resources to be allocated in the coming year for supporting the development of our cruise industry;
2. the targeted measures and expenditure for supporting the cruise terminal operators and shop vendors in the terminals to maintain their competitive edge.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 3)

Reply:

The Government is committed to developing Hong Kong into an international cruise hub in the region, and has formulated comprehensive strategies and directions to ensure the balanced, healthy and sustainable development of cruise tourism in Hong Kong. The COVID-19 outbreak has hard hit the cruise tourism industry of Hong Kong and the world as a whole. The Government has been closely monitoring the latest situation and is maintaining close contact with the trade, so as to roll out supporting measures at appropriate times.

To support cruise lines' continuous deployment and berthing in Hong Kong and promote the business of relevant sectors, the Government has offered fees and rent reduction for cruise lines and existing tenants at Kai Tak Cruise Terminal with effect from December 1, 2019. The measure will extend from six months to one year, i.e. till 30 November, 2020. The Government will continue to discuss with the terminal operator and the trade on other possible helping measures.

Having taken into account multiple factors, including the COVID-19 outbreak in Hong Kong and other source markets, the operational arrangements of cruise terminals in the region, and cruise lines' plans to resume itineraries in Asia, etc, the Hong Kong Tourism Board (HKTB) will roll out promotions tailored for the specific circumstances of different markets to restore consumer confidence for cruise tourism. At the same time, we will also strengthen support to the trade in attracting cruise lines to deploy ship calls to Hong Kong and step up our partnership with cruise lines for promotions in Hong Kong and various source markets. Moreover, we will actively cultivate new visitor segments to drive the recovery of cruise tourism.

The total budget for HKTB's head and worldwide offices on cruise tourism in 2020-21 is around HK\$36 million, which includes HKTB's proposed marketing budget and relevant additional funding. Having regard to the impact of the COVID-19 outbreak, HKTB will continuously review the budget sum and investment strategy, and make optimal use of the funding according to the actual situation and adjust the estimate if necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)193

(Question Serial No. 0640)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the anti-extradition protests and the novel coronavirus epidemic, will the Administration advise on the following:

1. What activities have been cancelled by the Hong Kong Tourism Board (HKTB)? What are the respective losses involved;
2. What is the amount of under-expenditure due to the cancellation of activities last year? How will the HKTB do with it?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 11)

Reply:

In view of the social events and COVID-19 outbreak, the Hong Kong Tourism Board (HKTB) had, after careful consideration, cancelled four mega events, namely "Hong Kong Dragon Boat Carnival", "Hong Kong Cyclothon", "Hong Kong Wine & Dine Festival" and "International Chinese New Year Carnival".

In order to minimise the cost involved, HKTB had immediately discussed with various relevant contractors when decided to cancel the events. As the preparatory work for the events had been started, HKTB still has to bear a total expenditure of about \$82 million.

According to the latest estimates in early March 2020, the total expenditure of HKTB in 2019-20 has been reduced by more than \$200 million as compared with the original estimate, which is attributed by the cancellation of events and putting on hold of some of the promotion activities. HKTB will apply to the Government for rolling over the remaining funds to 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)194

(Question Serial No. 0641)

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

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

Programme: (2) Commerce and Industry

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Bureau please advise on the conventions and exhibitions which are to be held at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo but have been postponed or cancelled due to the protests against the proposed legislative amendments and the novel coronavirus epidemic? What are the respective numbers of exhibitors involved? What is the estimated economic loss?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 12)

Reply:

The Government has been closely monitoring the impact of social events on the business environment, including the convention and exhibition (C&E) industry. Although certain convention events were cancelled or postponed in the second half of last year, regarding exhibition events, with careful planning by exhibition venue management companies and organisers, most of the indoor events were held smoothly and most exhibitors and buyers visited Hong Kong as planned for procurement.

Nevertheless, the C&E industry in recent months has almost come to a complete halt with the COVID-19 outbreak, as visitors have cut down significantly on their travelling, including trips to Hong Kong. Almost all C&E events were cancelled, postponed, downscaled or relocated elsewhere. According to the information provided by the management companies of the Hong Kong Convention and Exhibition Centre (HKCEC) and AsiaWorld-Expo (AWE), the numbers of C&E events originally scheduled for January and February 2020 but cancelled or postponed are tabulated below.

	Events originally scheduled for January and February 2020 but cancelled or postponed	
	Conventions	Exhibitions
HKCEC	3	8
AWE	2	2

Since many of the C&E events in the table above were still at the planning stage when they were cancelled or postponed, the number of exhibitors of individual events cannot be confirmed. In addition to the business of the C&E industry itself, other related sectors such as accommodation, catering, retail, entertainment, transportation, etc. are also seriously affected by the outbreak. The amount of economic loss cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)195

(Question Serial No. 0642)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2020-21, the Commerce, Industry and Tourism Branch (CITB) will take forward the new tourism project making use of augmented reality and multimedia and creative technology to enable visitors to experience the historical landscape and community culture. What tourism project(s) has/have already been launched by making use of the above technology? What are the upcoming new tourism projects adopting such technology? What are the respective estimated expenses of these new projects?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 13)

Reply:

The Government is partnering with the School of Creative Media, City University of Hong Kong to take forward the project in bringing visitors back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The first phase of this project is tentatively scheduled for launching in the Tsim Sha Tsui and Central areas in the third quarter of 2020.

In 2020-21, the Government has reserved \$12 million for the project.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)196

(Question Serial No. 0643)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the progress of supporting the consultancy study on smart tourism development? What are the amount involved and the specific timetable?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 65)

Reply:

We have commissioned a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong so as to better grasp visitors' travel habits and enhance their travel experience through the use of technology. The relevant consultancy fee is around \$3 million. The study is anticipated to be completed within 2020-21.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)197

(Question Serial No. 0644)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2020-21, the Commerce, Industry and Tourism Branch will support, subject to availability of funding, the Ocean Park Corporation to implement the strategic repositioning plan. If the funding is not approved by the Finance Committee as scheduled, does the Government have any backup plan to prevent the Ocean Park from closing down because of insufficient cash flow? If yes, what is the budget involved?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 15)

Reply:

In view of the COVID-19 outbreak and for the safety of the visitors and employees, the Ocean Park has been temporarily closed since 26 January. The arrangement has further worsened the Park's financial situation, not only necessitating the Park to take more drastic cost cutting measures, but also making the need for Government's financial support more imminent. We have already consulted the Legislative Council (LegCo) Panel on Economic Development on 20 January 2020 regarding the Ocean Park's Strategic Repositioning Plan. We will keep reviewing the situation, and report to the LegCo at an appropriate juncture.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)198

(Question Serial No. 0645)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme introduced by the Government, will the Administration please provide the application details of the two schemes, including the number of successful applicants, the amount of subsidies paid and their percentages to the provision of the respective schemes? Due to the novel coronavirus epidemic, both inbound and outbound as well as local tourism are halted. If travel agents are unable to receive subsidies from the above two schemes, will the Administration consider relaxing the application procedures and eligibility? If yes, what are the details? If not, what are the reasons?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 17)

Reply:

The Travel Agents Incentive Scheme (TAIS) was launched on 18 November 2019, with the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC) as the implementation agents. The total commitment is expected to be about \$100 million. As at end February 2020, the HKTB and the TIC approved applications from about 680 travel agents in total, involving cash incentives of about \$21 million. The Green Lifestyle Local Tour Incentive Scheme (GLIS) was launched on 20 January 2020, with the TIC as the implementation agent. The total commitment is expected to be about \$50 million. As at end February 2020, the TIC approved applications from 2 travel agents in total, involving cash incentives of about \$18,000.

In view of the severe impact of the COVID-19 outbreak on the travel industry, the Government announced on 28 February 2020 that the deadlines for the TAIS and the GLIS be extended from end March and end July 2020 respectively to end December 2020, so as to allow more time for the trade to leverage the opportunity of the travel industry's recovery later and best utilise the resources under both schemes. The Government has also

increased the maximum number of travellers for claiming cash incentives per travel agent under the TAIS from 500 to 1 000, thus increasing the maximum amount of cash incentives that each travel agent can claim.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)199

(Question Serial No. 0647)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

An amount of over \$700 million has been earmarked in the Budget for the Hong Kong Tourism Board (HKTB) to revive the tourism industry when the epidemic is over. In this connection, will the Government inform this Committee:

1. under what circumstances will the Government promote Hong Kong in full steam to help revive our tourism industry?
2. what will be the respective percentages of expenditure on promoting domestic consumption and the co-operation projects with the Greater Bay Area to the overall expenditure when the promotion plan is devised in future?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 19)

Reply:

In light of the COVID-19 outbreak, the Hong Kong Tourism Board (HKTB) has formulated the following strategic direction to be carried out in three phases:

Phase 1 (current): Work together to fight the outbreak

- HKTB is constantly providing instant updates to visitors and the travel trade, including the latest outbreak control measures implemented by the Government, on HKTB's official website (DiscoverHongKong.com). A dedicated section has been created to provide visitors with travel tips, such as information about the status of attractions. The daily operating hours of HKTB's Hotline Service have been extended to answer enquiries from visitors and trade partners, including hotels and shopping malls. In addition, HKTB is regularly disseminating the latest information to the travel trade in both Hong Kong and source markets; and
- HKTB is also actively consulting the trade to offer support and planning the promotion work for the next two phases.

Phase 2: Strengthen trade support and work with our trade partners on tactical promotions to attract visitors to Hong Kong

- HKTB will roll out campaigns to stimulate domestic consumption in order to rebuild the positive city ambience, boost consumer confidence in Hong Kong, and convey a positive message to source markets; and
- HKTB will also enhance its support for the travel trade by, for example, launching funding scheme to support travel trade's promotion work for visitor recovery, and working with the travel trade on promotions to stimulate visitors' interest in travelling to Hong Kong.

Final phase: Launch a new branding campaign to rebuild the tourism image of Hong Kong

- HKTB will leverage mega events, including the Hong Kong Sevens, which has been rescheduled to October 2020, to showcase Hong Kong's vibrant appeal;
- HKTB will launch a new tourism brand campaign, with promotions to be conducted in partnership with influential international media and digital platforms to attract the international spotlight, stand out from regional competitors, and rebuild Hong Kong's tourism image; and
- HKTB will also organise more trade activities and enhance its global promotions.

The related plans will be rolled out as soon as possible, contingent upon the abatement of COVID-19 outbreak in Hong Kong and key source markets, as well as the resumption of normal airline services between Hong Kong and other places. The expenditure for promoting domestic consumption has subsumed into HKTB's overall marketing promotions. It can hardly be quantified separately.

The work for driving collaboration for tourism promotion in the Greater Bay Area has always been included in HKTB's promotion on multi-destination tourism. The total budget for HKTB to promote the development of multi-destination tourism in 2020-21 is \$12.30 million.

However, in view of the evolving development and uncertainty of the COVID-19 outbreak, HKTB will closely monitor the latest situation and make timely adjustment to the strategy. It will also optimise use of the funding for rolling out promotions which meet the market needs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)200

(Question Serial No. 0657)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise on the actions taken by your Bureau to combat unlicensed travel agents in each of the past three years, including but not limited to:

1. the number of complaints received;
2. the number of self-initiated investigations;
3. prosecution actions taken;
4. the number of convictions; and
5. penalties imposed.

How will the Government step up actions in future to protect the legitimate interests of licensed travel agents?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 30)

Reply:

The Travel Agents Registry (TAR) under the Tourism Commission is responsible for the licensing and regulation of travel agents, including handling complaints against unlicensed travel agent business. On receiving a complaint, the TAR will study the case and conduct preliminary investigation. Cases involving suspected unlicensed travel agent business will be referred to the Police for criminal investigation.

The number of complaints against unlicensed travel agent business handled by the TAR in the past three years are provided in the table below:

	2017	2018	2019
Complaint cases handled	69	52	26
Referred to the Police for investigation	40	41	20
Prosecution action taken	0	1	0
Conviction and sentence	0	1 (Fined \$800)	0

The TAR will continue to promote to the public the importance of patronising licensed travel agents. It will also maintain close liaison with the trade and cooperate with the law enforcement agencies in combating unlicensed travel agent business. The regulatory function on travel agents will be taken over by the Travel Industry Authority when the Travel Industry Ordinance takes full effect. The government will work closely with the Authority with a view to effectively implementing such functions in future.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)201

(Question Serial No. 0659)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please tabulate the occupancy rate of hotels and guesthouses since the eruption of disturbances arising from the proposed legislative amendments in June last year, as compared with the same period a year before.

	2019		2018	
Hotel occupancy rate	June		June	
	July		July	
	August		August	
	September		September	
	October		October	
	November		November	
	December		December	
	2020		2019	
	January		January	
	February		February	
Guesthouse occupancy rate	2019		2018	
	June		June	
	July		July	
	August		August	
	September		September	
	October		October	
	November		November	
	December		December	
	2020		2019	
	January		January	
February		February		

2. Please provide the respective number of guesthouses and hotels which have closed down since the eruption of disturbances arising from the proposed legislative amendments in June last year. Has the Government made any assessment on the occupancy rate of hotels and guesthouses in the coming year as far as the influences of the epidemic and social movements are concerned?

3. If, in the coming year, the occupancy rate of hotels and guesthouses in Hong Kong remains low, or to such an extent that hotels and guesthouses generally suffer losses and layoffs, will the Government offer assistance? If yes, what are the details? If not, what are the reasons?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 32)

Reply:

The average room occupancy rates of hotels and guesthouses provided by the Hong Kong Tourism Board are as follows:

Average room occupancy rate of hotels (%)	2019		2018	
	Jun	87	Jun	90
	Jul	86	Jul	91
	Aug	66	Aug	94
	Sep	63	Sep	86
	Oct	68	Oct	92
	Nov	66	Nov	95
	Dec	61	Dec	94
	2020		2019	
	Jan [^]	59	Jan	92
Feb [#]	-	Feb	91	
Average room occupancy rate of guesthouses (%)	2019		2018	
	Jun	77	Jun	80
	Jul	70	Jul	83
	Aug	54	Aug	88
	Sep	52	Sep	79
	Oct	54	Oct	88
	Nov	58	Nov	90
	Dec	51	Dec	88
	2020		2019	
	Jan [^]	48	Jan	85
Feb [#]	-	Feb	83	

[^] Provisional figures.

[#] Figure still under compilation.

The Government does not compile statistics on the number of guesthouses and hotels closing down. But according to the records of the Office of the Licensing Authority of the Home Affairs Department, during the period from 1 June 2019 to 29 February 2020, a total of 37 hotel and guesthouse licences were invalidated due to withdrawal of the submitted licence renewal applications, request for cancellation of licences, or the licence holders had not applied for licence renewal by the expiry date.

As the development of the COVID-19 outbreak globally is still uncertain, it is hard to assess its impact on the occupancy rates of hotels and guesthouses.

To support the trade in such difficult situation, the Government has rolled out several rounds of support measures since August last year with many of them benefitting the hotel and guesthouse sector, including waiving fees for new issue or renewal of hotel/guesthouse licences, restaurant licences and liquor licences, etc. In the Budget, the Financial Secretary has announced a series of measures to support enterprises, like reducing profits tax, waiving rates for non-domestic properties, waiving the business registration fees, waiving the registration fees for all annual returns, providing subsidies to non-domestic household accounts to cover their billed electricity charges, waiving water and sewage charges payable by non-domestic households, etc., which would benefit the hotel and guesthouse sector.

In addition, the Government also established the Licensed Guesthouses Subsidy Scheme (the Scheme) under the Anti-epidemic Fund. Each eligible guesthouse with one to five licensed guestrooms may receive a one-off subsidy of \$50,000 while those with six or more licensed guestrooms may receive a one-off subsidy of \$80,000. The Scheme was launched on 21 February 2020, while the deadline of registration is 20 March 2020. Generally, the disbursement of subsidies could be arranged in about 14 working days after the submission of the completed registration form and the supporting document. During the registration period, around 1 800 registrations for the Scheme were received, accounting for 99% of all licensed guesthouses. As of 31 March 2020, 99% of the eligible applicants have received the subsidy.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)202

(Question Serial No. 0660)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please tabulate the figures on visitor spending as follows:

	From January to June 2019	Increase/decrease as compared with the previous year	Percentage of visitor spending	From July to December 2019	Increase/decrease as compared with the previous year	Percentage of visitor spending	From January to February 2020	Increase/decrease as compared with the previous year	Percentage of visitor spending
Overall figure for retail sales									
Figure for sales of jewellery, watches and clocks, and valuable gifts									
Medicines and cosmetics									
Commodities in department stores									

2. Has the Administration assessed the visitors' consumption trend of the above categories of products for the coming year with the influence of the epidemic and social movement?

3. Has the Administration assessed any counter measures for situation in which the number of visitors remains low, investors lose confidence and waves of layoffs occur? If yes, what are the details? If not, what are the reasons?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 33)

Reply:

The amount of visitor spending on shopping is compiled by the Hong Kong Tourism Board (HKTB) who collects data directly from tourists by sampling through the Departing Visitor Research Project. Meanwhile, the data of Total Retail Sales of Hong Kong published by the Census and Statistics Department are collected from local retail stores. With significant differences in terms of data collection and methods of computation, it is not appropriate to compare the data directly. The figures of visitor spending as required by part one of the question are not available. The figures of value of retail sales by type of retail outlet provided by the Census and Statistics Department are as follows:

		Jan-Jun 2019 (HKD billion)	Growth/ drop over a year earlier	Jul-Dec 2019 (HKD billion)	Growth/ drop over a year earlier	Jan-Feb 2020 (HKD billion)	Growth/ drop over a year earlier
Value of total retail sales		241.3	-3%	189.9	-20%	60.5	-32%
Of which:	Jewellery, watches and clocks, and valuable gifts	40.6	-6%	25.6	-39%	6.5	-59%
	Medicines and cosmetics	25.9	*	17.1	-27%	5.5	-43%
	Department stores	26.5	+1%	19.8	-26%	5.3	-41%

* Between +0.5% and -0.5%

Similar to the global situation, visitor spending in Hong Kong has been on a downward trend in the past few years. The decrease in spending on shopping by overnight visitors, Mainland visitors in particular, is probably related to the depreciation of RMB and changes in the spending pattern of these visitors. The decline, which extended to the beginning of 2019, has further been widened by a drop in hotel room rates in response to the falling demand in the second half of the year. According to HKTB's statistics, the per capita spending (PCS) of all overnight visitors in 2019 was HK\$5,820, a decline of 12% over that of 2018.

Based on HKTB's preliminary assessment, the decline will continue this year. However, the situation depends on a host of factors, including the development of the COVID-19 outbreak in Hong Kong and key source markets, trends of currencies, economic situation of global and source markets, hotel room rates in Hong Kong and visitor's spending pattern, etc.

The Government has proposed to provide an additional funding of HK\$791 million to the HKTB in 2020-21 to step up promotion and revive the tourism industry. The COVID-19 outbreak is hitting the tourism industry globally, and consumers' travel desire is sluggish. To gradually restore visitors' confidence in travelling to Hong Kong, the HKTB will stimulate local spending first, which in turn attracts visitors from different source markets

through positive messages. The HKTB is planning to work with different trades, including travel, hotel, dining and retail, to roll out initiatives for stimulating consumption and encouraging spending by locals and expatriates. Their positive message is crucial in building a reputation for the city and attracting their overseas relatives and friends to Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)203

(Question Serial No. 0784)

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In light of the decrease in levies on outbound fares and registration fees on inbound tour groups from the Mainland, the Travel Industry Council of Hong Kong has recently begun laying off employees and requiring staff to take unpaid leave. The tourism industry generally anticipates an outlook filled with uncertainties and expects that the recurrent revenue will fall drastically after the commissioning of the Travel Industry Authority (TIA). The \$350 million seed money initially allocated to the TIA by the Government is definitely inadequate to cope with the needs in 5 to 10 years' time, and the tourism industry will have to bear the burden in the end. Does the Government has any plan to increase the commitment to the seed money for TIA so as to prevent it from having income shortfall or financial difficulties? If yes, what is the budget? If no, how can the Government guarantee the financial performance of the TIA?

Asked by: Hon YIU Si-wing (LegCo internal reference no.:16)

Reply:

To support the initial operation of TIA, the Government has allocated in end February 2020 \$350 million as seed money for TIA. TIA will closely monitor its financial situation, with a view to coping with its daily operation and achieving self-financing in the long run whilst at the same time, taking into account the affordability of the trade. TIA has set up a standing committee to advise it on issues relating to financial management (including investment).

If TIA seeks additional funding from the Government to meet its needs, the Government will consider such request in accordance with the established procedures.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)204****(Question Serial No. 3213)**

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

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

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Will the Bureau provide figures on the percentage changes in the outbound tour levies collected and the registration fees charged on inbound tour groups by the Travel Industry Council of Hong Kong (TIC) since the disturbances arising from the proposed legislative amendments in June last year, as compared with the same period a year before?

	2019		Percentage of increase/decrease	2018	
Outbound tour levies collected	June			June	
	July			July	
	August			August	
	September			September	
	October			October	
	November			November	
	December			December	
	2020		Percentage of increase/decrease	2019	
	January			January	
February			February		
Registration fees charged on inbound tour groups	2019		Percentage of increase/decrease	2018	
	June			June	
	July			July	
	August			August	
	September			September	
	October			October	
2019		Percentage of	2018		

		increase/decrease			
	November			November	
	December			December	
	2020		Percentage of increase/decrease	2019	
	January			January	
	February			February	

2. According to the above figures, has the Government made assessment on the revenue of the TIC in the coming year as far as the influences of the epidemic and social movements are concerned? If the TIC runs into financial difficulties, will the Government offer assistance? If yes, what are the details? If not, what are the reasons?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 24)

Reply:

Information of the Travel Industry Council of Hong Kong (TIC) relating to the outbound levy and Mainland inbound tour registration fee is as follows:

	2019		Percentage increase/decrease	2018	
Amount deposited by travel agents in their levy accounts	June	\$2,797,618	-4.8%	June	\$2,938,492
	July	\$2,023,149	-16.3%	July	\$2,416,441
	August	\$2,308,004	-8.8%	August	\$2,530,811
	September	\$1,135,140	-37.8%	September	\$1,824,209
	October	\$2,240,840	-19.8%	October	\$2,793,150
	November	\$2,091,337	-16.8%	November	\$2,514,189
	December	\$2,368,874	+28.8%	December	\$1,838,555
	2020		Percentage increase/decrease	2019	
	January	\$1,930,260	-24.6%	January	\$2,558,565
	February	\$336,000	-81.6%	February	\$1,823,604
Amount of Mainland inbound tour registration fees paid by travel agents	2019		Percentage increase/decrease	2018	
	June	\$199,500	+31.4%	June	\$151,800
	July	\$188,850	-24.5%	July	\$250,170
	August	\$95,400	-34.7%	August	\$146,040
	September	\$15,000	-90.2%	September	\$153,000
	October	\$9,270	-95.6%	October	\$210,780
	November	\$0#	-100%	November	\$385,560
	December	\$0#	-100%	December	\$298,230
	2020		Percentage increase/decrease	2019	
	January	\$0#	-100%	January	\$203,250
February	\$0#	-100%	February	\$128,100	

TIC waived Mainland inbound tour registration fees for 6 months with effect from November 2019.

Under the existing regulatory regime, the TIC as a self-financing body would cater for its operating costs from its sources of income including outbound levy, Mainland inbound tour registration fee, membership fee, reserves, etc. The travel industry and the TIC's income have been severely affected by the social incidents in the past few months and the COVID-19 outbreak. The Government understands that the TIC is closely monitoring its financial position, and has taken measures to mitigate the situation.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)205****(Question Serial No. 2669)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of the following:

- (1) the number of calls on senior officials of the host governments paid by respective overseas Economic and Trade Offices in 2019-20 in tabular form;
- (2) the number of calls on members of the United States House of Representatives and members of the United States Senate paid by the Economic and Trade Office (ETO) in Washington, DC in 2019-20; and
- (3) the number of contacts made with members of the United States House of Representatives and members of the United States Senate by the ETO in Washington, DC in 2019-20 on the Hong Kong Human Rights and Democracy Act?

Asked by: CHAN Chi-chuen (LegCo internal reference no.: 4)

Reply:

The numbers of calls on senior government officials (including congressmen)/ organisations by the overseas Hong Kong Economic and Trade Offices (ETOs) under Programme (2) "Public Relations" in 2019 are as follows :

ETOs*	Call on senior government officials / organisations
Bangkok	58
Berlin	147
Brussels	301
Jakarta	58

ETOs*	Call on senior government officials / organisations
London	251
New York	53
San Francisco	65
Singapore	175
Sydney	124
Tokyo	126
Toronto	160
Washington	235
Total	1 753

* As the Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters, it does not make calls on senior government officials/ organisations under Programme (2).

The Washington ETO has all along maintained regular contact with various sectors in the US, including federal government officials responsible for Hong Kong affairs in the White House, Department of State, Department of Commerce and US Trade Representative, congressional members and their staffers (in particular members and staffers of the Senate and House committees for foreign affairs and the Congressional-Executive Commission on China), think-tanks, media, academia, business communities and other opinion leaders. Through meetings and other arrangements, the ETO works in earnest to facilitate the understanding of more people on the latest and actual situation in Hong Kong.

The Washington ETO met 235 US government officials and congressional members/staffers last year, with around 100 being government officials and around 135 being congressional members and their staffers. We do not have a breakdown of the number of contacts for individual subjects.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)206****(Question Serial No. 2670)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) Will the Government tabulate the staff establishment, estimated expenditure on annual salaries and operating expenses of the overseas Economic and Trade Offices (ETOs) of Hong Kong in Bangkok, Berlin, Brussels, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. in 2020-21?
- (2) Will the Government tabulate the following figures?

ETOs	No. of meetings with mask suppliers in January 2020	No. of masks procured in January 2020	Expenses on procuring masks in January 2020	No. of meetings with mask suppliers in February 2020	No. of masks procured in February 2020	Expenses on procuring masks in February 2020
Bangkok						
Berlin						
Brussels						
Geneva						
Jakarta						
London						
New York						
San Francisco						
Singapore						
Sydney						
Tokyo						
Toronto						
Washington						

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 5)

Reply:

In 2020-21, the estimated staff establishment, personal emoluments and other operating expenses of the 13 overseas Hong Kong Economic and Trade Offices (ETOs) are tabulated below :

ETO	2020-21 Estimate		
	Staff Establishment (as at 31.3.2021)	Personal Emoluments* (\$ million)	Other Operating Expenses# (\$ million)
Bangkok	17	13.4	19.0
Berlin	17	15.7	23.1
Brussels	18	23.7	23.3
Geneva	15	29.0	20.6
Jakarta	14	11.0	20.5
London	18	15.5	30.3
New York	14	15.5	28.0
San Francisco	16	17.5	22.8
Singapore	11	11.6	24.1
Sydney	13	13.7	22.5
Tokyo	14	16.7	30.5
Toronto	11	9.9	18.2
Washington	18	24.7	27.4

* The expenditure on personal emoluments includes salaries and allowances.

Other operating expenses include expenditures on personnel related expenses, departmental expenses and other charges.

Since early January 2020, the Government Logistics Department (GLD) has resorted to all possible means and channels to procure masks and other protective items. The objective is to secure such supplies as quickly as possible to meet the Government's operational requirements.

As far as masks are concerned, GLD has got into contact with more than 600 suppliers from over 40 countries. Since early January this year, of the orders placed by GLD, more than 20 million masks have been delivered to date. The ETOs have been referring overseas suppliers to GLD and offering assistance in procurement. The ETOs have not kept records on the number of meetings with suppliers of personal protective equipment (PPE).

With upsurge in demand for PPE around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments (including ETOs), such as the quantities procured and moneys involved, so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2714)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please inform this Committee of the number of days of operation of the Hong Kong Economic and Trade Office (Tokyo) from January to February 2020, and the number of times it contacted Hong Kong residents on the Diamond Princess cruise ship.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 53)

Reply:

For the Diamond Princess cruise ship operation, the Hong Kong Economic and Trade Office, Tokyo (Tokyo ETO), together with the Security Bureau, Immigration Department (ImmD), Department of Health etc had all along rendered support for the affected Hong Kong residents, as well as maintained close liaison with the Japanese Ministry of Foreign Affairs and Ministry of Health, Labour and Welfare, Embassy of the People's Republic of China in Japan, cruise operator, relevant hospitals and land quarantine facilities to understand the conditions of the affected Hong Kong residents and to ensure that they receive proper care.

Since the Japanese Government requested to quarantine the passengers on board the cruise ship on 3 February, ImmD and the Tokyo ETO received requests for assistance from around 300 Hong Kong residents. To provide support to the affected Hong Kong residents, the Tokyo ETO had all along facilitated co-operation and communication between the Japanese Government and officers from different departments of the HKSAR Government who had been deployed to Japan for the incident.

During the period from 19 to 23 February, the HKSAR Government arranged three chartered flights to bring 193 Hong Kong residents from the cruise ship back to Hong Kong. In addition, a total of around 100 infected Hong Kong residents and their close contacts were sent by the Japanese authorities to hospitals or land quarantine facilities in 11

prefectures and cities across Japan for treatment or quarantine. ImmD and the Tokyo ETO would continue to monitor closely the condition of the remaining Hong Kong residents being hospitalised or quarantined in Japan and provide assistance to them, including arranging them to return to Hong Kong upon discharge from hospitals or completion of quarantine.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)208

(Question Serial No. 1066)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (3) Investment Promotion

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision for overseas Economic and Trade Offices (ETOs) under Programme (3): Investment Promotion is \$108.9 million. It is stated that the overseas ETOs will collaborate closely with Invest Hong Kong to promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance and support to overseas companies to establish or expand operations in Hong Kong. It is also mentioned in Matters Requiring Special Attention in 2020–21 that the overseas ETOs will “step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities in the Mainland and elsewhere in Asia”. Please inform this Committee of the following:

- (1) What specific publicity programmes are in place with regard to the above work on “promoting the attractiveness of Hong Kong as an international financial and business centre”?
- (2) Are there any specific targets and goals regarding the efforts in “attracting overseas companies to set up and expand their operations in Hong Kong”? If yes, what are the details?
- (3) Are additional manpower and expenditure required for the relevant work in (1) and (2) above?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 35)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) work closely with Invest Hong Kong (InvestHK) to proactively identify and reach out to companies in target sectors in key geographical markets. Investment Promotion Units (IPUs) in the ETOs have been

using different channels, for example, organising roundtable seminars, fielding officials to make public presentations and visiting potential companies, to promote the business advantages of Hong Kong so as to encourage overseas companies to set up or expand their businesses in Hong Kong, as well as to use Hong Kong as a platform to access opportunities in the Mainland and elsewhere in Asia. The ETOs and InvestHK organise various promotional campaigns in target geographical markets, including business sectors-focused seminars, business roundtables, roadshows, as well as conducting investment promotion visits to various overseas markets to promote the advantages of Hong Kong as an international financial and commercial centre. We have been working closely with key stakeholders such as Financial Services Development Council to strengthen promotion collaborations on financial services front.

The ETOs and InvestHK will encourage investors to make use of Hong Kong to capture the new opportunities that will arise from the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development and the Belt and Road Initiative. They will also continue to provide assistance and support to overseas companies setting up or expanding their operations in Hong Kong. With the establishment of its Investment Promotion Unit in Jakarta in 2018 and the one in Bangkok in late 2019, our investment promotion effort in the ASEAN market has been strengthened.

In 2019, the number of projects completed with the support of IPUs of the ETOs was 198. In 2020, the target number of projects to be completed is targeted to increase to 248. However, the impact of US-China trade disputes, social incidents in Hong Kong and the COVID-2019 outbreak will have impact on the business environment and pose uncertainties on Hong Kong's investment outlook.

In 2020-21, the estimate for Programme (3) under Head 96 is \$108.9 million. As at 31 March 2021, the estimated staff establishment under Programme (3) will be 35, which remain the same as compared with 2019-20.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)209****(Question Serial No. 2876)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) Please set out the manpower resources, expenditures involved and the types and numbers of the relevant work on fostering commercial relations carried out by each overseas Economic and Trade Office (ETO) in each of the past 5 years.
- (2) Please advise on the number of meetings between the 2 ETOs in Washington, D C and New York in the United States (U.S.) and the U.S. government officials and people, such as members of the U.S. Senate and members of the U.S. House of Representatives, on issues of economic and trade relations between Hong Kong and the U.S. in each of the past 10 years, the manpower and public money involved.
- (3) What is the expected situation as mentioned in (2) for this year? What are the main issues and areas to be dealt with by the 2 ETOs at such meetings in this year?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 51)

Reply:

The overall staff establishment and expenditure of the 13 overseas Hong Kong Economic and Trade Offices (ETOs) under Programme (1) "Commercial Relations" in the past five years are as follows :

Year	Staff establishment	Expenditure (\$ million)
2015-16	72	147.5
2016-17	74	159.0
2017-18	75	173.1

Year	Staff establishment	Expenditure (\$ million)
2018-19	75	165.5
2019-20	84	209.5 (revised estimate)

For preparation of the estimates, each post in the ETO is categorised under one of the three programmes according to its main responsibilities. In general, Programme (1) may include staff with higher salary such as Heads and Deputy Heads of the ETOs as well as staff specialised in commercial relations functions, and general supporting staff (including locally-engaged clerks and secretaries). For actual operation, apart from Programme (1), Heads, Deputy Heads and general supporting staff in the respective ETOs handle work under Programmes (2) “Public Relations” and (3) “Investment Promotion” as well.

The numbers of the relevant activities carried out by the ETOs under Programme (1) in the past five years are as follows :

ETO	2015						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	383	105	36	91	51	66	202
Brussels	301	149	46	69	43	73	41
Geneva*	980	-	-	43	-	-	-
London	350	255	18	45	72	70	195
New York	201	119	49	154	62	62	18
San Francisco	192	88	31	73	42	26	35
Singapore	210	182	18	75	30	56	121
Sydney	218	232	14	71	62	33	106
Tokyo	128	106	13	61	22	62	45
Toronto	189	111	33	36	77	140	110
Washington	320	167	20	138	23	86	59

ETO	2016						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	380	110	37	95	52	66	206
Brussels	313	155	48	72	45	71	48
Geneva*	984	-	-	28	-	-	-
Jakarta#	20	15	2	10	3	3	5
London	363	258	27	60	75	72	200
New York	225	56	31	148	39	72	23
San	188	100	38	68	37	27	35

ETO	2016						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Francisco							
Singapore	200	180	18	78	29	54	125
Sydney	108	171	30	96	47	29	133
Tokyo	133	101	10	60	20	59	40
Toronto	188	114	32	35	78	134	105
Washington	310	160	20	139	24	90	60

ETO	2017						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	442	110	43	94	55	83	215
Brussels	323	158	51	70	50	75	51
Geneva*	825	-	-	32	-	1	-
Jakarta#	40	40	6	30	15	3	10
London	370	270	45	60	80	75	210
New York	214	48	37	136	53	75	235
San Francisco	179	79	29	71	36	26	35
Singapore	215	195	23	75	29	54	127
Sydney	128	149	21	78	52	22	162
Tokyo	131	105	12	62	24	67	64
Toronto	190	115	31	34	75	128	100
Washington	315	165	20	140	25	92	60

ETO	2018						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Berlin	438	115	45	98	55	85	211
Brussels	328	162	49	68	53	73	50
Geneva*	636	-	-	62	-	-	-
Jakarta#	65	60	8	35	16	3	12
London	355	258	40	60	80	75	210
New York	211	50	37	131	55	73	401
San Francisco	178	80	29	69	37	25	36
Singapore	217	196	23	76	29	52	121

ETO	2018						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Sydney	138	151	20	98	57	31	175
Tokyo	130	115	25	47	22	85	61
Toronto	191	117	30	33	72	122	96
Washington	335	170	20	145	26	95	62

ETO	2019						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Bangkok [^]	70	25	10	14	18	3	7
Berlin	421	111	44	96	54	46	205
Brussels	326	159	45	70	55	74	52
Geneva [*]	922	-	-	50	-	-	-
Jakarta [#]	86	78	12	45	22	6	15
London	340	250	39	58	77	73	203
New York	230	60	40	130	54	74	662
San Francisco	185	92	32	73	43	26	36
Singapore	210	190	22	73	28	50	117
Sydney	137	122	26	98	61	35	177
Tokyo	136	120	14	45	21	64	70
Toronto	195	120	30	34	73	124	98
Washington	360	222	20	138	25	91	60

* The Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters. Therefore, it mainly attends meetings on trade-related matters and participates in seminars, exhibitions and workshops under Programme (1).

The Jakarta ETO commenced operation on 13 June 2016.

[^] The Bangkok ETO commenced operation on 28 February 2019.

The numbers of visits to host governments (including congressmen) and trade organisations by the Washington and New York ETOs under Programme (1) in the past 10 years and the estimate for the coming year are as follows :

Year	Numbers of visits to host governments and trade organisations	
	Washington ETO	New York ETO
2010	248	44
2011	240	52
2012	235	67
2013	205	64
2014	175	62

Year	Numbers of visits to host governments and trade organisations	
2015	167	119
2016	160	56
2017	165	48
2018	170	50
2019	222	60
2020 (Estimate)	180	60

Since visits to host governments and trade organisations have been included in the overall commercial relations work of the ETOs, it is difficult to quantify the estimated expenditure and number of staff involved separately.

The Washington and New York ETOs have all along maintained regular contact with various sectors in the US, including federal government officials responsible for Hong Kong affairs in the White House, Department of State, Department of Commerce and US Trade Representative, congressional members and their staffers (in particular members and staffers of the Senate and House committees for foreign affairs and the Congressional-Executive Commission on China), think-tanks, media, academia, business communities and other opinion leaders. Through meetings and other arrangements, the ETOs work in earnest to facilitate the understanding of more people on the latest and actual situation in Hong Kong.

The Washington and New York ETOs will continue to maintain close liaison with the relevant interlocutors and organisations, actively explain to them the situation in Hong Kong and reiterate to them that Hong Kong and the US are partners with mutual benefits.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)210

(Question Serial No. 0270)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work of the overseas Economic and Trade Offices (ETOs) includes monitoring and reporting on reactions to events in Hong Kong, organising publicity and public relations activities for Hong Kong in the host countries or regions under their purview, liaising with Hong Kong enterprises and people, and providing a comprehensive information and enquiry service about Hong Kong. Please advise this Committee of the effectiveness of such work in the past year. What was the expenditure involved? What is the expenditure to be incurred for the coming year? Are there any specific work plans?

Meanwhile, according to the Hong Kong Human Rights and Democracy Act enacted earlier by the US, the US Secretary of State shall submit annually to the Congress a certification in conjunction with the report required under the US-Hong Kong Policy Act, enunciating whether Hong Kong continues to warrant existing treatment under US laws, including being treated as a separate customs territory. What has been done in this regard by Hong Kong's ETOs in the US? What were the expenditure and manpower involved? Will there be an increase in the manpower and expenditure in 2020-21 to conduct the monitoring and lobbying work concerned? Is there any specific plan to lobby US politicians to ensure that Hong Kong retains its economic and trade status?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 54)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO whose duty is to represent Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews.

They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, conducting promotion work (e.g. giving public speeches, issuing press releases, etc.), liaising closely with Hong Kong enterprises and a wide range of interlocutors, as well as providing them with information and enquiry services about Hong Kong.

Besides, our ETOs collaborate closely with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council (TDC), Hong Kong Tourism Board, etc., in organising and co-organising a range of promotional activities, including seminars, luncheons, receptions, exhibitions, thematic events, etc., to enhance the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong in various aspects and our unique advantages under "one country, two systems", encouraging local enterprises to invest in Hong Kong or partnering with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the "Belt and Road" Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, the ETOs, together with Invest Hong Kong and TDC, also step up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

In 2020-21, the ETOs will continue to closely collaborate with other Hong Kong overseas agencies in organising different events to promote the Hong Kong Brand with a view to showcasing Hong Kong's unique position and advantages in different aspects. These activities and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help enhance Hong Kong's profile in other key markets.

The HKSAR Government has been explaining to countries around the world the successful implementation of "one country, two systems" since our return to the Motherland, and promoting Hong Kong's unique status under the Basic Law and "one country, two systems" as well as our own various advantages. Such work is done through exchanges of information, reciprocal official visits, participation in international conferences, and the regular liaison of the ETOs. The Financial Secretary visited the US in April and October 2019, while the Secretary for Commerce and Economic Development (SCED) visited the US three times in September 2018, June and September 2019 respectively. During the visits, they met with US government officials, congressmen, think tanks as well as the business community there and elucidated the unique status of Hong Kong under the Basic Law, the intrinsic strengths of Hong Kong as well as Hong Kong's latest situation and measures taken to address the current challenges, with the objective of illustrating that despite the difficulties faced by Hong Kong, the city remains a highly efficient and safe city, welcoming people from around the US to visit and do business. In respect of the Hong Kong Human Rights and Democracy Act (the Hong Kong Act), we have been explaining the situation in Hong Kong to relevant persons and organisations, actively rectifying misunderstandings, stressing that Hong Kong and the US are partners which bring mutual benefits to each other, and that the Hong Kong Act was unnecessary and unwarranted, and it would harm the relations and common interests between Hong Kong and the US, and was not conducive to alleviating the situation in Hong Kong. Moreover, the Chief Executive, SCED and officers of the ETOs in the US have written many times to various interlocutors

in the US to explain clearly and in detail the situation in Hong Kong and HKSAR Government's position.

The ETOs in Washington DC, New York and San Francisco have all along maintained regular contact with various sectors in the US, including federal government officials responsible for Hong Kong affairs in the White House, Department of State, Department of Commerce and US Trade Representative, congressional members and their staffers (in particular members and staffers of the Senate and House committees for foreign affairs and the Congressional-Executive Commission on China), think-tanks, media, academia, business communities and other opinion leaders. Through meetings and various arrangements, the ETOs work in earnest to facilitate people's understanding of the latest and actual situation in Hong Kong. Among these, in the case of the ETO in Washington DC, the ETO met around 240 US government officials and congressional members/staffers last year, with around 100 being government officials and around 140 being congressional members and their staffers. The ETO reiterated to them that HKSAR Government had spared no effort in implementing "one country, two systems", following free trade and economic policy, and safeguarding the core values of Hong Kong. The ETO elucidated the latest and actual situation in Hong Kong in order to rectify the misunderstandings among some of the interlocutors and to maintain Hong Kong's international image and US-Hong Kong bilateral relations. The ETO also highlighted that Hong Kong and the US, being important partners in trade, enjoyed mutually beneficial bilateral relations which extended to other areas such as export control, anti-money laundering and counter terrorism. This had brought significant benefits to the US economy and homeland security. Any change to the current US policy towards Hong Kong could have adverse impact on the people and business-trade interests of both places.

In 2019, the ETOs in the US facilitated visits to Hong Kong by committees with focus on US-China relations as well as congressional members and staffers. These included a delegation of the Congressional US-China Working Group, a delegation of the US-China Economic and Security Review Commission and a congressional delegation organised by the US-Asia Institute in March, May and August 2019 respectively. The Government also invited two delegations of US congressional staffers to visit Hong Kong in March and October 2019 respectively under the Sponsored Visitors Programme. They met with senior HKSAR Government officials, and were given a wide range of briefings by government bureaux/departments and relevant organisations on the latest development in Hong Kong. Such visits were useful for the visitors to have a better understanding of the situation in Hong Kong, including the economy, opportunities and challenges.

The Government and ETOs in the US will continue to maintain close working relationship with high-level US government officials responsible for Hong Kong affairs, congressional members and their staffers, think-tanks, media, academia and business communities, and continue to closely monitor the US Government's policy direction as well as the US political and economic landscape, in particular developments relating to the US Administration and relevant congressional committees' (e.g. Senate and House committees for foreign affairs) implementation and oversight of the Hong Kong Act, as well as the US presidential and congressional elections to be held in November this year. We will also continue to elucidate the latest situation in Hong Kong to interlocutors in the US so that the actual situation in Hong Kong could be reflected in the reports required under the Hong

Kong Act. The Government will also rebuild the confidence of various US sectors in Hong Kong's future through promotion and other activities.

The above work implemented by existing manpower is part of the regular duties of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (CEDB), Trade and Industry Department, ETOs in the US and other relevant departments and cannot be quantified separately, with the expenditure subsumed under the overall estimated expenditure of the relevant departments. In 2020-21, CEDB and relevant departments will continue to make best use of resources to implement the relevant work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)211

(Question Serial No. 0456)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (3) Investment Promotion

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this programme that, in close collaboration with Invest Hong Kong, the overseas Economic and Trade Offices (ETOs) promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance and support to overseas companies to establish or expand operations in Hong Kong. Please inform this Committee of the effectiveness of such work over the past year. How many companies were assisted to establish or expand operations in Hong Kong and what was the expenditure involved? In 2020-21, how will the Government promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance to overseas companies to establish and expand operations in Hong Kong? What concrete plans do the Government have? What are the estimated expenditure and manpower involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 32)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) and Invest Hong Kong (InvestHK) work in very close partnership. InvestHK has organised various events through Investment Promotion Units (IPUs) of the ETOs to promote the business advantages of Hong Kong and its role as a hub under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development so as to encourage overseas companies to set up or expand their businesses in Hong Kong, as well as to use Hong Kong as a platform to access opportunities in the Mainland and elsewhere in Asia. These investment promotion efforts are effective in enhancing the understanding of overseas companies about Hong Kong's investment environment and the advantages of investing in Hong Kong. In 2019, the number of projects completed with the support of IPUs of the ETOs was 198, accounting for 41% of InvestHK's total completed projects in the year. In 2019-20, the revised estimate for Programme (3) Investment Promotion under Head 96 is \$77 million, including personal emoluments and general operating expenses.

The ETOs and InvestHK will continue to collaborate closely in organising marketing campaigns and seminars as well as conducting investment promotion visits to various overseas markets to promote the advantages of Hong Kong as an international financial and commercial centre. They will also continue to provide assistance and support to overseas companies to establish or expand operations in Hong Kong. In 2020-21, the estimate for Programme (3) under Head 96 is \$108.9 million. As at 31 March 2021, the estimated staff establishment under Programme (3) will be 35.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)212

(Question Serial No. 0457)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, it is stated that during 2020-21, the overseas Economic and Trade Offices will continue to step up publicity and public relations efforts and launch promotional campaigns to enhance Hong Kong's international image in the member states of the Association of Southeast Asian Nations, Australia, Europe, Japan, Korea, New Zealand, North America, the Middle East, etc., to strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity. Please advise this Committee of the effectiveness of the work concerned in 2019-20. What was the expenditure involved? What are the specific work plans and strategies for publicity to be implemented in the new financial year of 2020-21? What is the estimated expenditure to be incurred?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 33)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO whose duty is to represent Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews. They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, conducting promotion work (e.g. giving public speeches, issuing press releases, etc.), liaising closely with Hong Kong enterprises and a wide range of interlocutors, as well as providing them with information and enquiry services about Hong Kong.

Besides, our ETOs collaborate closely with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council (TDC), Hong Kong Tourism Board, etc., in organising and co-organising a range of promotional activities, e.g. seminars, luncheons, receptions, exhibitions, thematic events, etc., to enhance the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong and our advantages in various aspects, encouraging local enterprises to invest in Hong Kong or partnering with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the "Belt and Road" Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, the ETOs, together with Invest Hong Kong and TDC, also step up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

In 2020-21, the ETOs will continue to closely collaborate with other Hong Kong overseas agencies in organising different events to promote the Hong Kong Brand with a view to showcasing Hong Kong's unique position and advantages in different aspects. These activities and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help enhance Hong Kong's profile in other key markets. As the relevant promotion work is part of the overall public relations work of ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)213

(Question Serial No. 2742)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Head 96, please advise this Committee of the following:

1. Please provide the total budget, total estimated expenditure on salary, total expenditure, total expenditure on salary, numbers of staff, numbers of directorate officers and non-directorate officers from Hong Kong, and numbers of directorate officers and non-directorate officers from host governments of each ETO in the past 3 financial years;
2. For Programme (1), please provide in table form the forums, exhibitions or seminars organised by all ETOs in the past 3 years, and their respective details, including dates, venues (cities), themes, numbers of participants, target groups and expenditures;
3. For Programme (2), please provide in table form the details of the calls on senior government officials/organisations of all ETOs in 2018-19 and 2019-20, including dates, organisations and ranks of officers of the calls, and the ranks of the highest officials from the respective ETOs;
4. For Programme (2), please provide the number of calls on senior government officials/organisations of all ETOs in 2018-19 and 2019-20 in table form, broken by host government departments (for example, separate details for the United States Department of Commerce and the United States Department of State which are 2 different departments), congressmen (for example, separate details for members of the United States House of Representatives and members of the United States Senate), think tanks, chambers and others;
5. For Programme (2), please provide in table form the details of public relations programmes/events organised by all ETOs in the past 3 years, including dates, venues (cities), themes, numbers of participants, target groups and expenditures;

6. For Programme (2), please provide the detailed breakdown of the expenditure of \$238 million in 2020-21 and advise how to step up the publicity and public relations efforts;
7. For Programme (2), please provide in table form the details of the contracts on public relations work granted by all ETOs in the past 3 years, broken down by company names, contract periods, contract sums (if they are classified information and considered as unsuitable for disclosure, please provide the total annual contract sum granted by each ETO instead), major work and key performance indicators of each contract; and
8. For Programme (2), please provide in table form the details of the contracts on lobbying granted by all ETOs in the past 3 years, broken down by company names, contract periods, contract sums (if they are classified information and considered as unsuitable for disclosure, please provide the total annual contract sum granted by each ETO instead), major work and key performance indicators of each contract.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 45)

Reply:

The actual expenditure for 2017-18 and 2018-19, and the revised estimate for 2019-20 (including total operational expenses and personal emoluments), as well as the staff establishment of the 13 overseas Hong Kong Economic and Trade Offices (ETOs) in these 3 years are as follows :

ETO	2017-18					2018-19					2019-20				
	Total operational expenses*	Personal emoluments #	Staff establishment (as at 31 March 2018)			Total operational expenses*	Personal emoluments #	Staff establishment (as at 31 March 2019)			Total operational expenses*	Personal emoluments #	Staff establishment (as at 31 March 2020)		
			Directorate post	Non-directorate post	Locally-engaged staff			Directorate post	Non-directorate post	Locally-engaged staff			Directorate post	Non-directorate post	Locally-engaged staff
Bangkok^	-	-	-	-	-	6.2	1.6	1	4	12	26.7	12.2	1	4	12
Berlin	30.8	6.4	1	3	0	28.3	7.2	1	3	0	32.3	12.4	1	3	13
Brussels	38.2	19.9	3	2	13	35.3	21.0	3	2	13	41.9	22.4	3	2	13
Geneva	35.1	22.7	3	4	8	34.1	22.8	3	4	8	44.6	25.8	3	4	8
Jakarta	22.1	8.3	1	4	9	18.3	8.6	1	4	9	24.3	9.6	1	4	9
London	35.3	12.5	1	3	14	32.6	13.8	1	3	14	36.7	13.8	1	3	14
New York	33.3	13.0	1	2	11	32.4	14.0	1	2	11	37.4	13.8	1	2	11
San Francisco	30.7	15.0	1	2	13	29.7	15.1	1	2	13	34.7	15.0	1	2	13
Singapore	26.1	8.6	1	3	7	19.8	8.6	1	3	7	26.9	9.3	1	3	7

ETO	2017-18					2018-19					2019-20				
	Total operational expenses*	Personal emoluments #	Staff establishment (as at 31 March 2018)			Total operational expenses*	Personal emoluments #	Staff establishment (as at 31 March 2019)			Total operational expenses*	Personal emoluments #	Staff establishment (as at 31 March 2020)		
			Directorate post	Non-directorate post	Locally-engaged staff			Directorate post	Non-directorate post	Locally-engaged staff			Directorate post	Non-directorate post	Locally-engaged staff
Sydney	27.2	10.4	1	2	8	26.2	11.3	1	2	9	30.0	11.6	1	2	9
Tokyo	37.8	11.7	2	2	10	35.8	12.5	2	2	10	40.1	14.4	2	2	10
Toronto	19.1	8.2	1	2	8	17.5	8.5	1	2	8	21.7	8.7	1	2	8
Washington	35.2	19.5	2	3	13	32.1	19.7	2	3	13	44.4	20.7	2	3	13

* Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

The expenditure on personal emoluments includes salaries and allowances.

^ The Bangkok ETO commenced operation on 28 February 2019.

The number of seminars, exhibitions and workshops organised by individual ETOs under Programme (1) "Commercial Relations" in the past 3 years is as follows :

ETO [@]	Number of seminars, exhibitions and workshops organised		
	2017	2018	2019
Bangkok	-	-	10
Berlin	43	45	44
Brussels	51	49	45
Jakarta	6	8	12
London	45	40	39
New York	37	37	40
San Francisco	29	29	32
Singapore	23	23	22
Sydney	21	20	26
Tokyo	12	25	14
Toronto	31	30	30
Washington	20	20	20

[@] As the Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters, it does not organise seminars, exhibitions and workshops under Programme (1).

In order to promote Hong Kong’s trading and commercial interests outside Hong Kong, the ETOs often organise seminars, exhibitions and workshops in the countries under their respective purviews. In April 2017, the Berlin ETO co-organised a business seminar-cum-luncheon on “Hong Kong – Slovenia: Opportunities in Hong Kong for Slovenian Business” with the Slovenian Times, a leading business magazine in Slovenia, during which the then Secretary for Commerce and Economic Development (SCED) gave a keynote address. In August, the Jakarta ETO co-organised a business seminar titled “Belt and Road Initiative: Connecting China, Hong Kong and Malaysia” in Kuala Lumpur with the Hong Kong-Malaysia Business Association, which attracted more than 150 businessmen and entrepreneurs from various sectors. In the year, the Toronto ETO vigorously promoted the unique role of Hong Kong under the Belt and Road Initiative through staging exhibitions across Canada. In March 2018, the Sydney ETO co-organised the “Hong Kong – The Gateway to Success” seminar in New Zealand with the Auckland Chamber of Commerce. In September, the Washington ETO organised a seminar during which SCED was invited to speak on regional economic development and the accompanying business delegation members shared their entrepreneurial and business experiences as well as tips on coping with the changing global economic and trade environment. Throughout the year, the London ETO, either on its own or in collaboration with the Hong Kong Trade Development Council (HKTDC), local trade associations or other organisations, organised and supported about 40 business events such as luncheons/seminars/receptions/roundtable meetings in 12 cities in the countries under its purview. In 2019, the Tokyo ETO collaborated with different bodies, such as Invest Hong Kong (InvestHK), HKTDC, Hong Kong Tourism Board (HKTB) and Hong Kong-Japan Business Cooperation Committee in organising 17 seminars and networking events to promote various aspects of Hong Kong. The Brussels ETO organised seminars in Belgium, Cyprus, France, Greece, Ireland, Italy, the Netherlands, Spain and Turkey to promote Hong Kong’s advantages. The New York ETO, in collaboration with InvestHK, HKTDC and local chambers of commerce and business organisations, organised seminars in different cities.

The number of calls on senior government officials/organisations (including congressmen) by individual ETOs under Programme (2) “Public Relations” in the past 2 years is as follows :

ETO [▲]	Number of call on senior government officials/organisations	
	2018	2019
Bangkok	-	58
Berlin	152	147
Brussels	305	301
Jakarta	40	58
London	262	251
New York	51	53
San Francisco	64	65
Singapore	182	175
Sydney	162	124
Tokyo	134	126
Toronto	157	160

ETO [▲]	Number of call on senior government officials/organisations	
	2018	2019
Washington	178	235

▲ As the Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters, it does not call on senior government officials/organisations under Programme (2).

The ETOs have all along maintained regular contact with various sectors in the countries under their respective purviews, meeting from time to time with relevant government officials, congressmen and their staffers, think tanks as well as other organisations and individuals to brief them on the latest developments in Hong Kong and to explain to them Hong Kong's unique status under "one country, two systems" as well as our own various advantages, and to state Hong Kong's position on issues of mutual concern. Depending on the occasion and the circumstances of a meeting, the head of the ETO or other colleagues will participate in the meeting. As the relevant work is part of the overall work of the ETOs, we do not have a breakdown of the number of meetings with individual contacts.

The number of public relations functions/events organised by individual ETOs under Programme (2) "Public Relations" in the past 3 years is as follows :

ETO	Number of public relations functions/events organised		
	2017	2018	2019
Bangkok	-	-	17
Berlin	55	55	56
Brussels	60	65	62
Geneva [◆]	2	2	2
Jakarta	8	10	15
London	125	125	120
New York	94	95	97
San Francisco	45	47	50
Singapore	69	70	67
Sydney	44	43	42
Tokyo	97	121	94
Toronto	113	108	112
Washington	45	47	38

◆ As the Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters, it organises fewer public relations functions/events than the other ETOs under Programme (2).

Through organising different public relations functions and events, the ETOs brief the local audience on the latest developments of Hong Kong and its advantages in various aspects. In 2017, the Washington ETO hosted a large scale spring reception to celebrate Chinese New Year, and briefed different groups on Hong Kong's developments. The Brussels ETO organised a number of talks in different renowned universities in various European

countries including Belgium, Netherlands, Luxembourg, France and Italy, to promote the talent admission schemes among university students and graduates. In November, the Singapore ETO organised the “Hong Kong Cup” race of the 35th Singapore River Regatta dragon boat races in collaboration with HKTB and the Singapore Dragon Boat Association. In 2018, the Tokyo ETO organised the Hong Kong Cup All Japan University Student Ambassadors English Programme 2017-18 to promote Hong Kong among young people in Japan. The San Francisco ETO partnered with San Francisco Film Society in co-organising “Hong Kong Cinema” to showcase a total of seven Hong Kong productions in San Francisco. In December, the Berlin ETO organised a cultural exchange event at a university in Budapest to introduce the study opportunities and talent admission schemes available in Hong Kong. In 2019, the New York ETO hosted Chinese New Year receptions in Atlanta, New York, Miami and Chicago between January and February to update its interlocutors from different sectors on the latest developments and new opportunities of Hong Kong. The London ETO organised the eighth student competition from February to May, and sponsorships to attend summer schools at universities in Hong Kong were provided to the winning students to deepen their understanding of Hong Kong. In July, the Bangkok ETO organised a gathering for 10 Thai students, who were awarded the Belt and Road Scholarship to pursue studies in the universities in Hong Kong, to help them get to know each other and share their learning and life experience in Hong Kong.

In 2020-21, the breakdown of the estimate of the ETOs under Programme (2) “Public Relations” is as follows :

Item	2020-21 Estimate (\$ million)
Personal emoluments	97.464
Personnel related expenses	7.029
Departmental expenses and other charges	133.256
Plant, equipment and works	0.208
Total estimated expenditure	237.957

In 2020-21, the ETOs will continue to collaborate closely with other Hong Kong overseas agencies, such as HKTDC, HKTB, etc., in organising and co-organising a range of promotional activities, including seminars, luncheons, receptions, exhibitions, thematic events, etc., to enhance the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong in various aspects and the unique advantage under “one country, two systems”, encouraging local enterprises to invest in Hong Kong or partnering with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong’s position as an international financial and business hub. Riding on opportunities arising from the Belt and Road Initiative and the Guangdong-Hong-Macao Greater Bay Area development, the ETOs will step up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong’s advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

The details of the contracts on public relations work awarded by ETOs in the past 3 years are as follows :

ETO	Company name	Contract duration	Main duties
Berlin	Centre for International Relations	48 months (3 contracts in total)	To assist in promoting Hong Kong in Poland
	Basilicon Kft.	12 months	To assist in promoting Hong Kong in Hungary
	Explico Zrt.	24 months (2 contracts in total)	To assist in promoting Hong Kong in Hungary
Jakarta	PT. Fasih Media Harapan	One-off contract	To assist in organising a media briefing in Jakarta, Indonesia
London	Rooster Creative Ltd	6 months	To publicise the celebration events for the 20th anniversary of HKSAR
	Saaresalu OU and Confent OU	12 months	To assist in promoting Hong Kong in Estonia, Latvia and Lithuania
	Saaresalu OU	24 months	To assist in promoting Hong Kong in Estonia, Latvia and Lithuania
New York	Eugene J. Hanratty, III	36 months (3 contracts in total)	To provide publicity and liaison services in the eastern states of the US
	Carol Fox and Associates	3 months	To promote a concert of the Hong Kong Chinese Orchestra in Chicago
San Francisco	Singer Associates	24 months	To assist in promoting Hong Kong and arrange publicity events in the western states of the US
Toronto	Results Advertising	16 months	To provide social media advisory and management services

The total value of the above contracts on public relations work was about \$13.4 million. The key performance indicators of each contract have been specified in the contract terms (such as the number of public relations activities organised, the number of meetings and visits arranged), and the ETOs will closely monitor the performance of the companies concerned in accordance with the requirements as stipulated in the contracts, meet with the companies concerned regularly and/or ask the companies concerned to submit reports regularly to ensure that their performance meets the requirements of the relevant ETOs.

The ETOs did not award any contracts on lobbying in the past 3 years.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)214

(Question Serial No. 1124)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations, (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Over the past 6 months, Hong Kong has been besieged by social incidents, trade negotiations between the United States and China, changes in external environment and the novel coronavirus epidemic. The impacts have spread to all sectors and businesses. Regarding the work of the overseas Economic and Trade Offices (ETOs) in enhancing Hong Kong's international image and promoting Hong Kong's trading and commercial interests, please advise this Committee on the following:

- (1) Please tabulate the details of the advertisements broadcast or published on (i) television, (ii) radio, (iii) newspapers and other publications by HKETOs (in Bangkok, Jakarta, Singapore, Sydney, Tokyo, Brussels, London, Geneva, Berlin, New York, San Francisco, Washington and Toronto) and Hong Kong Economic, Trade and Cultural Office (Taiwan) in the past 3 years and set out the expenditure and number of promotions of each publicity channel.
- (2) Whether assessment has been made on the effectiveness of the overseas promotional efforts. If yes, what are the assessment criteria and conclusion?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 8)

Reply:

The expenditure and number of advertisements broadcast or published on television, radio as well as newspapers and other publications by the overseas Hong Kong Economic and Trade Offices (ETOs) in the past 3 financial years (i.e. 2017-18, 2018-19 and 2019-20) are as follows –

Publicity Channel	Expenditure	Number of Promotions
Television	\$29,772	3 times
Radio	\$36,238	9 times
Newspapers and other publications (including online platforms)	\$11,443,785	383 times

Through placing advertisements on television, radio as well as newspapers and other publications (including online platforms), the ETOs explained Hong Kong's latest developments and advantages in various aspects, promoted Hong Kong's culture, and publicised the activities organised or sponsored by the ETOs. In selecting suitable media for publicity, the ETOs would consider the listenership or viewership of the television and radio channels concerned, the circulation of the relevant newspapers and whether the advertisements could reach the target readers. For online promotion, the total impressions and click-through rates of the advertisements concerned, level of readers' engagement and view counts would be evaluated.

The above promotion work successfully enables people overseas to better understand the latest developments and the opportunities that Hong Kong can offer, and help enhance Hong Kong's profile in other key markets.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)215****(Question Serial No. 2284)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please list the expenditure and manpower involved in the promotion of local cultural and creative industries, local culture and exchanges by overseas Economic and Trade Offices (ETOs) in the past year, and the percentage of such expenditure in the total expenditure.
- (b) Please use the table below to provide the details of arts and cultural or sport events (such as film festivals, arts and cultural performances, roving exhibitions, rugby tournaments and dragon boat festivals) held by overseas ETOs in the past year.

ETO:			
Titles of events	Date of events	Hong Kong organisations involved (if any)	Expenditures of events

- (c) What concrete plans do the overseas ETOs have for the promotion of local cultural and creative industries, local culture and exchanges this year? What are the estimated expenditure and manpower involved?
- (d) Have any local cultural organisations contacted the overseas ETOs to reflect the need to conduct cultural exchanges and promote local culture overseas? If yes, what was the number of such cases? How did the Government handle their requests?
- (e) Will the Government consider deploying dedicated staff to ETOs as appropriate to handle cultural matters? If yes, what are the details? If no, what are the reasons?
- (f) Did the relevant ETOs promote cultural exchanges between Hong Kong and countries along the Belt and Road last year? What were the details and expenditure involved?

Do they have any plan to promote cultural exchanges between Hong Kong and countries along the Belt and Road in the coming year? If yes, what are the details and expenditure involved? If no, what are the reasons?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 89)

Reply:

In 2019-20, our overseas Hong Kong Economic and Trade Offices (ETOs) (except the Geneva ETO which specialises in World Trade Organization matters) not only strived to strengthen Hong Kong's overseas economic and trade relationships with foreign countries, but also assisted in promoting Hong Kong's cultural and creative industries and facilitating cultural exchanges. From time to time, the ETOs organised, sponsored and participated in different arts and cultural events in the countries/regions under their respective purviews, such as film festivals, concerts, dance performances, arts exhibitions, dragon boat races, etc., and invited Hong Kong people from various sectors, including film directors, actors, designers, emerging artists, etc., to participate in these events. The ETOs also supported Hong Kong's arts and cultural groups of different sizes to conduct exchanges and give performances overseas. Examples of arts and cultural events organised/supported by the ETOs in 2019 are as follows :

- In the US, the Washington ETO co-organised the annual "Made in Hong Kong" Film Festival with the Smithsonian Institution's Freer Gallery of Art between July and August. The San Francisco ETO sponsored several major film festivals in various states of the western US and invited Boonfaysau, a group of young a cappella singers from Hong Kong, to perform at the spring receptions held in various cities of the western US. The New York ETO sponsored the PSA World Squash Championship held in Chicago and hosted a welcome reception for the top-notch players from Hong Kong, as well as sponsored Hong Kong Dragon Boat Festivals in several strategic cities of the eastern US.
- In Europe, the Brussels ETO invited a harmonica and electronic ensemble from Hong Kong to perform at the Chinese New Year (CNY) receptions organised in some European cities in February, and continued to sponsor the screening of Hong Kong films in a number of international film festivals in Europe. The London ETO took part in the huge annual London Chinatown CNY celebration in February during which the ETO set up a booth to promote Hong Kong. The ETO also sponsored the Hong Kong Institute of Architects' participation in the London Festival of Architecture in June to enable its members to share their experiences in the industry with the audience. The Berlin ETO joined hands with the Hong Kong Arts Centre to showcase the work of Hong Kong animation artists in the Stuttgart International Festival of Animated Film in Germany and hosted "Hong Kong Focus" Reception in May, as well as sponsored the 8th Dragon Boat Race in Zurich in July.
- In Asia, the Singapore ETO sponsored visiting performance groups from Hong Kong, which included performances by young Hong Kong musicians in music exchanges and concerts held in Singapore in February and August, and a musical staged in Singapore by the Spring-Time Experimental Theatre in April. The Tokyo ETO co-hosted a large-scale spring reception with the Hong Kong-Japan Business Cooperation Committee, Invest Hong Kong, the Hong Kong Trade Development Council and the Hong Kong Tourism Board (HKTB) in Tokyo in February, and invited the Windpipe Chinese Music Ensemble from

Hong Kong to stage a performance at the reception. The ETO also co-organised a total of five concerts with the Asian Youth Orchestra in August in Tokyo, Fukuoka and Kumamoto in Japan and Seoul in Korea. The Sydney ETO participated in the OzAsia Festival hosted by the Adelaide Festival Centre and supported the Centre in bringing a 40-metre-long Hong Kong Dragon during the Moon Lantern Parade. The ETO also sponsored Hong Kong's Azure Seas Cantonese Traditional Theatre for their tour performances of "Monkey King and Skeleton Devil", a well-known episode from the famous Chinese novel "Journey to the West", in Australia and New Zealand. The Jakarta ETO jointly organised a media event with HKTB in Jakarta in February to promote the Hong Kong Art Month. The Bangkok ETO participated in the first Bangkok-Hong Kong Street Battle Food Festival, which was a huge event hosted by a Thai renowned chef and the Tourism Authority of Thailand, in mid-March.

As promoting Hong Kong's arts and culture is part of the overall public relations work of ETOs, it is difficult to quantify the expenditure and number of staff involved separately.

In 2020-21, our ETOs will continue to promote Hong Kong's arts and cultural achievements and characteristics, and support our local creative industries to tap overseas markets. Since the relevant work has been included in the overall public relations work of ETOs, it is difficult to quantify the estimated expenditure and number of staff involved separately.

Over the years, our ETOs have been in close contact with different cultural organisations in Hong Kong to provide support for their cultural exchanges in overseas countries, but there are no statistics on the requests for assistance. In general, the ETOs would respond positively to requests raised by such organisations and provide assistance as appropriate, taking account of various factors (such as resources and manpower arrangement, different cultural environment of overseas countries, etc.). The ETOs would (1) liaise with relevant local partners and other local arts and cultural bodies to facilitate cultural exchanges and cooperation; (2) provide assistance in publicity work through different channels; and (3) support or co-organise events, etc. in order to promote Hong Kong's cultural and creative industries.

Promotion of cultural exchanges between Hong Kong and countries/regions under their respective purviews has always been one of the main functions of the ETOs. The ETOs will continue to make best use of resources to perform the work in this regard under a multi-pronged approach and at different levels. There is no plan to deploy dedicated staff to the ETOs to handle cultural matters.

In the past year, the ETOs actively promoted cultural exchanges in the countries (including those along the Belt and Road) under their respective purviews with a view to publicising the developments of Hong Kong's cultural and creative industries, etc. In Europe, the Brussels, Berlin and London ETOs sponsored international film festivals in various European countries and supported screening of Hong Kong films in these festivals to promote Hong Kong's film culture. Besides, the Berlin ETO hosted CNY receptions in a number of countries, including Belt and Road countries, and invited young music talents from Hong Kong to give performances. In Asia, the Jakarta and Singapore ETOs continued to launch the Association of Southeast Asian Nations (ASEAN) Internship Scheme for Hong Kong Higher Education Students. The Bangkok and Singapore ETOs sponsored Hong Kong's arts and cultural organisations to perform in ASEAN countries with a view to promoting cultural exchanges with Belt and Road countries. In 2020-21, the ETOs will

continue to organise different types of arts and cultural activities in countries along the Belt and Road.

As the above efforts are part of the overall public relations work of ETOs, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)216****(Question Serial No. 6061)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the overseas Economic and Trade Offices (ETOs) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that the overseas ETOs obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that the overseas ETOs obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that the overseas ETOs obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that the overseas ETOs obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that the overseas ETOs obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

- g. Please set out the quantity, value, stock and consumption of goggles that the overseas ETOs obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Consumption

- h. Did the overseas ETOs supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

- i. If the overseas ETOs are to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 150)

Reply:

In the past three years, overseas Hong Kong Economic and Trade Offices (ETOs) did not obtain any personal protective equipment (PPE) from the Government Logistics Department (GLD). Some ETOs procured surgical masks from the market for staff use.

With upsurge in demand for PPE around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments (including ETOs), such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

The ETOs did not supply or sell any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)217****(Question Serial No. 3232)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please set out in table form (a) the establishment, (b) total salary provision, (c) the respective ranks and salaries of the heads (i.e. Commissioners, Directors/Directors-General, Principal Representatives, etc.) of the overseas Economic and Trade Offices (ETOs).
2. The Government repeatedly mentioned that it would secure the supply of protective gears as early as possible through the referrals from the overseas ETOs and individual parties. In this connection, what were the manpower and expenditures involved in the related work by each ETO over the past year?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 52)

Reply:

The current staff establishment, personal emoluments, and the respective ranks and salaries of the head posts of the 13 overseas Hong Kong Economic and Trade Offices (ETOs) are tabulated below -

ETO	Staff Establishment (as at 31.3.2020)	2019-20 Personal Emoluments* (\$ million)	Rank of Head Post	Salary of Head Post
Bangkok	17	12.2	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
Berlin	17	12.4	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
Brussels	18	22.4	Administrative Officer	\$236,650 to 251,100

ETO	Staff Establishment (as at 31.3.2020)	2019-20 Personal Emoluments* (\$ million)	Rank of Head Post	Salary of Head Post
			Staff Grade B1 (D4)	
Geneva	15	25.8	Administrative Officer Staff Grade B1 (D4)	\$236,650 to 251,100
Jakarta	14	9.6	Administrative Officer Staff Grade B (D3)	\$208,500 to 227,600
London	18	13.8	Administrative Officer Staff Grade B (D3)	\$208,500 to 227,600
New York	14	13.8	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
San Francisco	16	15.0	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
Singapore	11	9.3	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
Sydney	12	11.6	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
Tokyo	14	14.4	Administrative Officer Staff Grade A (D6)	\$265,150 to 273,000
Toronto	11	8.7	Administrative Officer Staff Grade C (D2)	\$179,350 to 196,050
Washington	18	20.7	Administrative Officer Staff Grade A (D6)	\$265,150 to 273,000

* The expenditure on personal emoluments includes salaries and allowances.

Since January 2020, the ETOs, through their established networks, have been assisting the Government Logistics Department in procuring personal protective gear in the highly competitive international market. Since the ETOs make use of their existing manpower and resources to carry out the relevant procurement work, it is difficult to quantify the number of staff and expenditure involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)218

(Question Serial No. 6534)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the setting up of new Economic and Trade offices (ETOs) mentioned in §5, apart from the Dubai ETO, is there any plan to set up other ETOs? If yes, what are the details?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 209)

Reply:

The HKSAR Government has been actively expanding its network of overseas Hong Kong Economic and Trade Office (ETO) with a view to strengthening Hong Kong's external trade connections and interactions. Currently, there are 13 overseas ETOs, i.e. the Bangkok, Berlin, Brussels, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto, and Washington ETOs. In order to consolidate Hong Kong's presence among its trading partners and explore new business opportunities, the HKSAR Government will continue establishing ETOs overseas. We are currently engaged in the preparatory work for opening the Dubai ETO, which is expected to commence operation in 2020. The ETO will become the second ETO set up by the current-term Government, and the first in the Middle East region, which will further expand our representative network in the region and raise Hong Kong's international visibility. It will bring immense business opportunities as well. The HKSAR Government will continue to explore the feasibility of establishing ETOs in different countries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)219

(Question Serial No. 6535)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the details of the work and expected results of the efforts to step up publicity and public relations as mentioned in item 9? In addition, given the clashes between the Police and the public in the past year, particularly the aggravating problem of police violence, what have been done by the overseas Economic and Trade Offices to enhance Hong Kong's international image?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 210)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO whose duty is to represent Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews. They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, conducting promotion work (e.g. giving public speeches, issuing press releases, etc.), liaising closely with Hong Kong enterprises and a wide range of interlocutors, as well as providing them with information and enquiry services about Hong Kong.

Besides, our ETOs collaborate closely with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council (TDC), Hong Kong Tourism Board, etc., in organising and co-organising a range of promotional activities, including seminars, luncheons, receptions, exhibitions, thematic events, etc., to enhance the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong and our advantages in various aspects, encouraging local enterprises to invest in Hong

Kong or partnering with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the "Belt and Road" Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, the ETOs, together with Invest Hong Kong and TDC, also step up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

Regarding the social incidents in Hong Kong in the second half of 2019, HKSAR Government, through the overseas ETOs, had actively reached out to overseas governments, political leaders, the business community and others to provide them with a more comprehensive understanding of the situation in Hong Kong. The ETOs proactively provided information updates to various sectors and explained to them the latest situation of Hong Kong through meetings, emails, social media, etc., so as to clear up the misunderstandings held by some people and mitigate the negative impacts of the social incidents on the international image of Hong Kong. The ETOs also maintained close contact with the local Hong Kong communities and took the opportunity in attending various activities to explain the situation of Hong Kong to all sectors of the community, reiterating that the HKSAR Government spared no effort in implementing "one country, two systems" and safeguarding the rule of law, the business environment and other core values of Hong Kong, and appealing to them to remain confident in Hong Kong and continue to support its development.

In 2020-21, the ETOs will continue to closely liaise with the governments, various organisations and communities under their respective purview, and strengthen promotion on Hong Kong's unique advantage under "one country, two systems", reiterating to the overseas stakeholders that Hong Kong's core values remain unchanged, so as to strengthen understanding and rebuild the confidence of various sectors in Hong Kong as soon as possible.

The ETOs will also continue to closely collaborate with other Hong Kong overseas agencies in organising different events to promote the Hong Kong Brand with a view to showcasing Hong Kong's unique position and advantages in different aspects. These activities and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help enhance Hong Kong's profile in other key markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6536)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (3) Investment Promotion

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the specific projects for the “new projects generated” mentioned under Indicators? Besides, why the Geneva and Washington Economic and Trade Offices have not been included in the efforts to “work closely with Invest Hong Kong” stated in item 13 since the United States and European Union are the largest trading partners of Hong Kong?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 211)

Reply:

On investment promotion, “new projects generated” refer to companies which meet the following criteria -

- with a firm plan to set up a presence or expand in East Asia with Hong Kong as a candidate location, within the next 18 months;
- has made a recent visit to Hong Kong and/or has begun to implement a plan to open an office in Hong Kong, with the assistance of Invest Hong Kong (InvestHK) or overseas Hong Kong Economic and Trade Offices (ETOs); and
- is in regular contact with and being assisted by InvestHK or ETOs.

At present, the HKSAR Government has 3 and 4 ETOs in the United States (US) and Europe respectively. The ETOs in Washington, New York and San Francisco represent Hong Kong's trade and economic interests in the US and actively promotes bilateral co-operation between the two economies. In the US, since the Washington ETO focuses on Hong Kong's trade and economic interests to the US Government and Congress, the investment promotion work in Washington D.C. is handled by the New York ETO. In Europe, the 4 ETOs are located in Berlin, Brussels, Geneva and London. The Geneva ETO focuses on World Trade Organization matters and mainly attends its meetings and activities on trade-related matters, and the Berlin ETO is responsible for fostering the

bilateral economic and trade relations (including investment promotion work) between Hong Kong and Switzerland.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)221****(Question Serial No. 6537)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (-) -

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the staff establishments of all overseas Economic and Trade Offices (ETOs) (please specify the ranks for civil service establishment) and their respective estimated expenses in 2019-20 and 2020-21.

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 212)

Reply:

The staff establishment of the 13 existing overseas Hong Kong Economic and Trade Offices (ETOs) for 2019-20 (as at 31 March 2020) is as follows :

Rank	ETO												
	Bangkok	Berlin	Brussels	Geneva	Jakarta	London	New York	San Francisco	Singapore	Sydney	Tokyo	Toronto	Washington
Administrative Officer Staff Grade A (D6)	-	-	-	-	-	-	-	-	-	-	1	-	1
Administrative Officer Staff Grade B1 (D4)	-	-	1	1	-	-	-	-	-	-	-	-	-
Administrative Officer Staff Grade B (D3)	-	-	-	-	1	1	-	-	-	-	-	-	-
Administrative Officer Staff Grade C (D2)	1	1	2	2	-	-	1	1	1	1	1	1	1
Senior Administrative Officer	1	1	-	2	1	2	1	1	1	1	1	1	2
Principal Trade Officer	1	-	2	2	1	-	-	-	-	-	-	-	1
Trade Officer	-	1	-	-	-	1	-	-	1	-	-	-	-

Rank	ETO												
	Bangkok	Berlin	Brussels	Geneva	Jakarta	London	New York	San Francisco	Singapore	Sydney	Tokyo	Toronto	Washington
Chief Information Officer	-	-	-	-	-	-	1	-	-	-	-	-	-
Principal Information Officer	1	-	-	-	1	-	-	-	1	1	1	1	-
Investment Promotion Project Officer	-	-	-	-	-	-	-	1	-	-	-	-	-
Executive Officer I	1	1	-	-	1	-	-	-	-	-	-	-	-
Locally-engaged staff	12	13	13	8	9	14	11	13	7	9	10	8	13
Total	17	17	18	15	14	18	14	16	11	12	14	11	18

In 2020-21, except for the Sydney ETO which will have an additional locally-engaged staff post (its staff establishment will increase from 12 to 13), the staff establishment of the other ETOs will remain unchanged.

The estimated operational expenses (including personal emoluments and other operating expenses) of the above ETOs for 2019-20 and 2020-21 are as follows :

ETO	2019-20 Revised Estimate (\$ million)	2020-21 Estimate (\$ million)
Bangkok	26.7	32.4
Berlin	32.3	38.8
Brussels	41.9	47.0
Geneva	44.6	49.6
Jakarta	24.3	31.5
London	36.7	45.8
New York	37.4	43.5
San Francisco	34.7	40.3
Singapore	26.9	35.7
Sydney	30.0	36.2
Tokyo	40.1	47.2
Toronto	21.7	28.1
Washington	44.4	52.1

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)222****(Question Serial No. 0652)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Being affected by the recent social incidents, novel coronavirus epidemic and downturn of global economy, the tourism industry becomes one of the sectors particularly hard hit in Hong Kong. In this connection, will the Government inform this Committee:

1) of the details of the activities held by the Economic and Trade Offices (ETOs) to promote Hong Kong, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area in the past year as set out in the table below:

Month	Name of activity	Expenditure

2) whether the Government has requested the overseas and Mainland ETOs to timely report the actual situation of the recovery of Hong Kong, and step up efforts to promote Hong Kong and the local tourism industry in 2020-21? If yes, what are the details and estimates concerned? If no, what are the reasons?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 25)

Reply:

In 2019-20, the overseas Hong Kong Economic and Trade Offices (ETOs) endeavoured to strengthen the economic and trade relations of Hong Kong and other countries, and collaborated closely with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council (TDC), Hong Kong Tourism Board (TB), etc., in organising and co-organising a range of promotional activities, including seminars, luncheons, receptions, exhibitions, thematic events, etc., to enhance the synergy in promoting Hong Kong, briefing the local audience on the latest developments of Hong Kong in various aspects and the unique advantage under “one country, two systems”, encouraging local

enterprises to invest in Hong Kong or partner with Hong Kong companies to explore the Asia-Pacific market, and highlighting Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the "Belt and Road" Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development, the ETOs, together with Invest Hong Kong and the Hong Kong Trade Development Council, also stepped up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets. Some such activities included the business seminar held in March 2019 with the theme "Accessing the world's largest market through Hong Kong" in Auckland, New Zealand, which was jointly hosted by the Sydney ETO and the Auckland Business Chamber. In Europe, the Berlin ETO organised two business seminars titled "Hong Kong – The Innovation Hub in Asia" in Gdansk and Krakow, Poland in March 2019 to promote Hong Kong as an ideal business location in Asia for innovative companies from Poland. In 2019, the Brussels ETO organised seminars in Belgium, Cyprus, France, Greece, Ireland, Italy, the Netherlands, Spain and Turkey to promote Hong Kong's unique role under the Belt and Road Initiative and the Greater Bay Area development. As for North America, the New York ETO, in collaboration with Invest Hong Kong, the TDC and local chambers of commerce and business organisations, organised seminars in different cities.

Regarding the social incidents in Hong Kong in the second half of 2019, the HKSAR Government, through the overseas ETOs, had actively reached out to overseas governments, political leaders, the business community and others to provide them with a more comprehensive understanding of the situation in Hong Kong. The ETOs proactively provided updates to various sectors and explained to them the latest situation of Hong Kong through meetings, emails, social media, etc., so as to rectify the misunderstandings held by some people and mitigate the negative impacts of the incidents on the international image of Hong Kong. The ETOs also maintained close contact with the local Hong Kong communities and took the opportunity of attending various activities to explain the situation of Hong Kong to all sectors of the community, reiterating that the HKSAR Government spared no effort in implementing "one country, two systems" and safeguarding the rule of law, the business environment and other core values of Hong Kong, and appealing to them to remain confident in Hong Kong and continue to support its development.

In 2020-21, the ETOs will continue to closely liaise with the governments, various organisations and communities under their respective purviews, and strengthen promotion on Hong Kong's unique advantage under "one country, two systems", reiterating to the overseas stakeholders that Hong Kong's core values remain unchanged, so as to strengthen understanding and rebuild the confidence of various sectors in Hong Kong as soon as possible.

The ETOs will also continue to collaborate with other Hong Kong overseas agencies including the TB to host a series of events promoting tourism of Hong Kong, enhancing Hong Kong's international image as a premium tourist destination. As the relevant work is a part of the overall public relations work of the ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)223

(Question Serial No. 0653)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

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

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the anti-extradition bill crisis erupted in June, social media has been flooded with fake news and false information, resulting in some Hong Kong people and foreigners receiving inaccurate and wrong information and severely tarnishing Hong Kong's image. In this connection, please inform this Committee of:

- 1) how the Government provided accurate information on Hong Kong to foreign governments and organisations in the past year or so, the main channels used and the expenditure involved;
- 2) how such initiatives will be enhanced in the coming year and the estimated expenditure involved.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 26)

Reply:

Regarding the social incidents in Hong Kong in the second half of 2019, HKSAR Government, through the overseas Hong Kong Economic and Trade Offices (ETOs), actively explained the Hong Kong situation to overseas governments, political leaders, the business community and others to provide them with a more comprehensive understanding. The ETOs proactively provided information updates to various sectors and explained to them the latest situation of Hong Kong through meetings, emails, social media, etc., so as to clear up the misunderstandings held by some people and mitigate the negative impacts of the incidents on the international image of Hong Kong. The ETOs also maintained close contact with the local Hong Kong communities and took the opportunity to attend various activities to explain the situation of Hong Kong to all sectors of local communities, reiterating that the HKSAR Government spared no effort in implementing "one country, two systems" and safeguarding the rule of law, the business environment and other core

values of Hong Kong, and appealing to them to remain confident in Hong Kong and should continue to support its development.

In 2020-21, the ETOs will continue to closely liaise with the governments, various organisations and communities under their respective purview, and strengthen promotion on Hong Kong's unique advantage under "one country, two systems", reiterating to the overseas stakeholders that Hong Kong's core values remain unchanged, so as to strengthen understanding and rebuild the confidence of various sectors in Hong Kong as soon as possible. As the relevant work is part of the overall public relations work of the ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)224

(Question Serial No. 4209)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What measures does the Customs and Excise Department (C&ED) currently take to tackle online infringing activities, such as illegal downloading of resources and streaming services provided by piracy websites? How much manpower and resources are involved? What were the results over the past five years?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 174)

Reply:

C&ED has been closely monitoring the latest trend of intellectual property rights (IPR) infringing activities on the Internet and the related technology crimes, and conducts timely review of the strategy and effectiveness of its enforcement work. Over the past few years, C&ED has, through redeployment of internal resources, set up three dedicated teams to combat online IPR infringing activities and handle the relevant enforcement work; established the "Electronic Crime Investigation Centre" to enhance the capabilities of dedicated officers in online investigation and evidence collection; and developed various online monitoring systems to better monitor and combat online IPR infringing activities. One of such systems is the Big Data Analytics System launched at the end of 2017, which can analyse mass information on different Internet platforms for more effective surveillance on infringing activities and their evolving trend. In 2019-20, there was a total of 45 C&ED officers dedicated to the relevant work, involving a salary expenditure of about \$21.13 million.

Details of online IPR infringement cases detected by C&ED in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of cases	200	201	202	207	203
Number of persons arrested	248	227	242	246*	240
Total value of seizures (mostly clothing, watches and accessories)	\$3 million	\$1.8 million	\$2.6 million	\$3.5 million	\$2.8 million

* Updated figure

Apart from combating the online sale of infringing goods, C&ED also endeavours to combat the sale of suspected illicit TV set-top boxes so as to curb infringing acts of watching pay TV programmes for free through such devices. In December 2017, C&ED made successful prosecution in an infringing case involving illicit TV set-top boxes and applications. The syndicate mastermind and two other defendants were sentenced to imprisonment ranging from 21 to 27 months, which is the heaviest penalty ever for Internet piracy in Hong Kong. The rulings and sentences send a strong deterrent to similar piracy activities and are significant for the enforcement work against Internet piracy. Apart from stepping up publicity on the above case, C&ED also conducts patrols against infringing activities in various districts from time to time and will continue to take enforcement actions against the sale of suspected illicit TV set-top boxes.

C&ED will continue its endeavours to combat online infringing activities and maintain close collaboration with copyright owners. Upon detection of any suspicious infringing activities or receipt of any related reports, C&ED will contact the copyright owners as soon as possible to confirm whether any criminal infringement is involved and take appropriate actions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)225

(Question Serial No. 4218)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide the estimated expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by the Customs and Excise Department (C&ED), the Commerce and Economic Development Bureau and other parties concerned in 2020-2021.
2. In the past 5 years, what were the actual expenditure, number of staff and number of prosecutions involved in the investigation of false claims on health products by C&ED? In 2020-2021, what are the specific amount of expenditure and number of staff to be involved in the investigation of false claims on health products by C&ED?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 183)

Reply:

In 2020-21, a total of 237 C&ED officers will be responsible for the enforcement of the Trade Descriptions Ordinance (TDO) by handling reporting, investigation and relevant enforcement work related to the TDO, which will involve an expenditure of about \$130 million. It is difficult to quantify the manpower and expenditure involved by category of goods separately.

In the past 5 years, C&ED prosecuted 8 companies and 3 persons for suspected contravention of the TDO regarding false trade descriptions on health products.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)226****(Question Serial No. 4219)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In the past 5 years, how many cases relating to online selling of intellectual property rights (IPR) infringing goods were detected by the Customs and Excise Department (C&ED)? What were the values and types of the goods? How many persons were involved?
2. How many IPR infringement cases were received and being investigated in the past 5 years? How many investigations related to IPR infringement cases were completed in the past 5 years? What are the estimated number of staff and expenditure involved in the investigation of IPR infringement cases in 2020-2021?
3. What are the estimates of C&ED for upgrading its capability in the investigation of Internet and electronic crimes relating to IPR infringement in 2020-2021?
4. What are the estimates of C&ED for promoting public and traders' awareness of IPR and consumer protection legislation through publicity programmes in 2020-2021?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 184)

Reply:

Details of online IPR infringement cases detected by C&ED in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of cases	200	201	202	207	203
Number of persons arrested	248	227	242	246*	240
Total value of seizures (mostly clothing, watches and accessories)	\$3 million	\$1.8 million	\$2.6 million	\$3.5 million	\$2.8 million

* Updated figure

In 2020-21, a total of 190 C&ED officers will be deployed for the prevention and detection of IPR offences, involving a salary expenditure of around \$91.34 million. The numbers of cases investigated by C&ED in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of cases filed for investigation	1 892	1 599	1 606	1 782	2 104
Number of investigations completed	1 577	1 546	1 540	1 448	1 710

C&ED has been closely monitoring and taking vigorous enforcement actions against IPR infringing activities on the Internet and the related electronic crimes. In 2019-20, there were a total of 45 C&ED officers dedicated to the relevant work, involving a salary expenditure of around \$21.13 million. In 2020-21, the resources and manpower devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

C&ED is committed to enhancing the public's understanding of IPR protection and consumer rights through various channels, including seminars and thematic talks organised in collaboration with the Intellectual Property Department, the Consumer Council, industry associations, major chambers of commerce and relevant Government departments from time to time. In 2020-21, C&ED will continue the work in this area. Since the expenditure involved has been subsumed within the Department's provision, it is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)227

(Question Serial No. 6648)

Head: (31) Customs and Excise Department

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

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee of the numbers of Hong Kong residents who contravened the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Cap. 296A) for bringing rice exceeding 15 kilograms into Hong Kong in the past 10 years and the amounts of fines involved?

Year	Number of cases	Amount of fines
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2041)

Reply:

In the past 5 years, the relevant figures on prosecutions instituted by the Customs and Excise Department against Hong Kong residents who contravened the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations for bringing rice exceeding 15 kilograms into Hong Kong without a valid import licence are as follows:

	2015	2016	2017	2018	2019
Number of prosecutions	3	8	3	0	3
Number of persons convicted	3	8	4*	0	3
Total amount of fines	\$16,000	\$24,500	\$13,500	-	\$9,000

*One of the cases involved 2 defendants.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)228

(Question Serial No. 0420)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Matters Requiring Special Attention in 2020-21, the Customs and Excise Department (C&ED) will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What are the specific plans for the related work, and the expenditure and manpower to be involved? What was the expenditure on such work in 2019-20 and how effective was the work?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 22)

Reply:

As a result of the continuous and vigorous enforcement actions taken by C&ED, the situation of intellectual property rights (IPR) infringement in the local market has improved significantly as compared to several years ago, but the online sale of IPR infringing goods has been shifting from auction sites to social media platforms as well as online community market places. C&ED has been closely monitoring the latest trend of IPR infringing activities on the Internet and the related technology crimes, and conducts timely review of the strategy and effectiveness of its enforcement work. Over the past few years, C&ED has, through redeployment of internal resources, set up three dedicated teams to combat online IPR infringing activities and handle the relevant enforcement work; established the "Electronic Crime Investigation Centre" to enhance the capabilities of dedicated officers in online investigation and evidence collection; and developed various online monitoring systems to better monitor and combat online IPR infringing activities. One of such systems is the Big Data Analytics System launched at the end of 2017, which can analyse mass information on different Internet platforms for more effective surveillance on infringing activities and their evolving trend.

In 2019-20, C&ED had a total of 190 officers dedicated to preventing and detecting IPR crimes, involving a salary expenditure of about \$91.34 million. The relevant expenditure on system maintenance was about \$1.15 million.

The details of IPR infringing cases detected by C&ED in 2019 are as follows:

Number of cases (online IPR crime)	888 cases (203 cases)
Total value of seizures (online IPR crime)	\$117 million (\$2.8 million)
Number of successful prosecutions (online IPR crime) (Note)	423 cases (139 cases)
Penalties imposed by the Court (Note)	Fine: \$53 - \$100,000; Community service order: 40 - 240 hours; Imprisonment: 3 days - 8 months

Note: Cases with trial concluded in 2019

In 2020-21, C&ED will devote a comparable amount of resources and manpower, and will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)229****(Question Serial No. 2740)**

Head: (31) Customs and Excise Department

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

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the control system for strategic commodities, will the Government advise this Committee of the following:

1. Please tabulate by offence the numbers of prosecutions, convictions and cases where sentences or fines were imposed for contravention of relevant legislation in the past 3 financial years.
2. With regard to the implementation of the United Nations sanctions terms, including terms of embargoes, please tabulate by offence type the numbers of prosecutions, convictions and cases where sentences or fines were imposed for contravention of the United Nations sanctions orders in the past 3 financial years.
3. How much manpower is responsible for the inspections on the implementation and for the enforcement of the relevant terms of embargoes in Hong Kong? Please advise on the number of officers involved, their ranks and respective areas of purview.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 17)

Reply:

Statistics on strategic commodity-related enforcement actions taken by the Customs and Excise Department (C&ED) in the past 3 years, i.e. 2017-2019, are tabulated below:

	2017	2018	2019
Number of prosecutions	33	49	57
Number of convictions	33	48	54
Fine (\$ million)	0.75	0.94	0.66

	2017	2018	2019
Value of forfeited goods (\$ million)	1.17	1.45	2.07

In the past 3 years, there were no prosecutions or conviction cases initiated by C&ED under the United Nations Sanctions Ordinance. C&ED will continue to maintain a stringent system of implementing United Nations Security Council (UNSC) sanctions in accordance with the law. Exercising its statutory authorities, C&ED will proactively follow up on all suspected violations of UNSC sanctions, and will institute prosecutions when there is sufficient evidence.

As regards staff establishment, apart from the staff responsible for on-site examination of cargoes at entry and exit points, C&ED has a total of 59 officers dedicated to the implementation of strategic trade controls, the control of provision of services to assist in the development of weapons of mass destruction, and the enforcement work against the supply, sale or transfer of arms and other items subject to sanction under the United Nations Sanctions Ordinance. Details of the posts concerned are as follows:

Rank	Number
Principal Trade Controls Officer	1
Chief Trade Controls Officer	3
Senior Trade Controls Officer	9
Trade Controls Officer	41
Assistant Trade Controls Officer	5
Total	59

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)230

(Question Serial No. 1126)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (1) Control and Enforcement, (5) Trade Controls
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The import and export of rice are monitored through the enforcement of the Reserved Commodities Ordinance. Regarding the inspection of rice, a reserved commodity, and the related enforcement work, what are the staff establishment and expenditure under this Programme? Did any rice stockholder or individual breach the Reserved Commodities Ordinance in the past 5 years? If yes, what were the details and what actions were taken by the Government?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 12)

Reply:

The Customs and Excise Department (C&ED) is responsible for enforcing the Reserved Commodities Ordinance (the Ordinance) and its subsidiary regulations, including inspection/verification of the information declared on import and export licences of rice, registered rice stockholders and their storage and maintenance of rice stock on importation, as well as investigation of suspected contravention cases.

In 2019-20, a total of 25 officers in the C&ED are responsible for investigating fraud cases in relation to origin, licensing, certification and valuation, as well as conducting reserved commodities inspections and investigating cases in violation of the Ordinance. As the enforcement duties in relation to the Ordinance are part of the many enforcement duties of the relevant personnel, the manpower and resources involved cannot be quantified separately.

The relevant figures on the enforcement of the Ordinance by C&ED in respect of rice for the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of inspections¹	4 579	4 456	4 435	4 537	4 462
Number of investigations initiated	50	61	49	49	33
Number of investigations completed²	45	49	49	32	37
Number of convictions²	21	17	5	8	9
Number of cases with written warning issued²	6	22	26	26	12

¹ Including inspections of import and export licences of rice, registered rice stockholders and their storage and maintenance of rice stock on importation.

² As some investigations were initiated in earlier years, the total number of the breakdown of cases may be more/fewer than the number of investigations initiated/investigations completed in the same year.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)231****(Question Serial No. 2070)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED), will the Government advise this Committee of:

- (a) the number of complaints about false trade descriptions and the number of prosecutions in 2019;
- (b) the number of complaints about unfair trade practices and the number of prosecutions in 2019; and
- (c) the numbers of inspections conducted for the offences under the TDO in the past 3 years (please provide a breakdown by year)?

Asked by: Hon OR Chong-shing, Wilson (LegCo internal reference no.: 45)

Reply:

The figures in relation to C&ED's enforcement of the Trade Descriptions Ordinance (TDO) in 2019 were as follows:

Offence	Breakdown of figures	2019
False trade descriptions	Number of complaints	6 520
	Number of investigations	106
	Number of prosecutions	49
Misleading omissions	Number of complaints	456
	Number of investigations	6
	Number of prosecutions	6
Aggressive commercial practices	Number of complaints	602
	Number of investigations	21
	Number of prosecutions	26

Offence	Breakdown of figures	2019
Bait advertising	Number of complaints	18
	Number of investigations	2
	Number of prosecutions	2
Bait and switch	Number of complaints	7
	Number of investigations	1
	Number of prosecutions	0
Wrongly accepting payment	Number of complaints	626
	Number of investigations	4
	Number of prosecutions	2
Other offences under the TDO [^]	Number of complaints	4
	Number of investigations	8
	Number of prosecutions	8

Note: [^]Such as the offences under sections 4 and 12 of the TDO.

The numbers of spot checks conducted by C&ED in relation to the TDO in the past 3 years were as follows:

	2017	2018	2019
Number of spot checks	4 000	4 023	4 018

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)232****(Question Serial No. 2953)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in Matters Requiring Special Attention in 2020-21, the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. In this connection, what are the staff establishment and estimated expenditure involved? Please set out in the table below the actual outcomes of the work concerned in the past 3 years respectively.

	2017-2018	2018-2019	2019-2020
Complaints received			
Number of spot checks			
Number of prosecutions			
Staff establishment			
Estimated expenditure			
Actual expenditure			

Asked by: Hon QUAT Elizabeth (LegCo internal reference no.: 30)

Reply:

The manpower and expenditures involved in the enforcement of the Trade Descriptions Ordinance (TDO) by C&ED in the past 3 years and 2020-21 are as follows:

Year	Manpower involved	Expenditure involved (\$ million)
2017-18	190	95
2018-19	190	99
2019-20	227	120
2020-21	237	130

The figures in relation to C&ED's enforcement of the TDO in the past 3 years were as follows:

	2017	2018	2019
Number of complaints	6 922	10 818	8 233
Number of spot checks	4 000	4 023	4 018
Number of prosecutions	74	66	93

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)233****(Question Serial No. 0866)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Given that the Customs and Excise Department (C&ED) is responsible for law enforcement and investigation of complaints related to unfair trade practices, will the Department advise this Committee of the number of complaints received involving aggressive commercial practices since the commencement of the amended Trade Descriptions Ordinance (Cap. 362) (TDO) in July 2013? What are the numbers of cases with investigation completed, and the numbers of prosecution and conviction (please provide a breakdown by industry)?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 11)

Reply:

The figures in respect of C&ED's enforcement actions against aggressive commercial practices since the commencement of the amended Trade Descriptions Ordinance (Cap. 362) in July 2013 and up to December 2019 are as follows:

	Number of complaints received	Number of investigation cases	Number of cases with investigations completed	Number of cases with prosecutions completed	Number of cases convicted
Fitness and yoga (Services)	971	56	51	4	4
Beauty and hairdressing (Services)	423	38	38	5	2
Travel (Services)	165	8	8	0	0
Jewellery and watches (Goods)	23	1	1	0	0

	Number of complaints received	Number of investigation cases	Number of cases with investigations completed	Number of cases with prosecutions completed	Number of cases convicted
Ginseng and dried seafood/ pharmacy and Chinese medicines (Goods)	18	4	3	0	0
Investment and finance (Services)	17	1	1	1	1
Food and beverage (Goods)	9	0	0	0	0
Electrical and electronic goods (Goods)	9	0	0	0	0
Furniture, renovation and interior design (Services)	7	4	4	0	0
Beauty and hairdressing products (Goods)	6	2	2	1	0
Others	78	7	7	0	0
Total	1726	121	115	11[^]	7

Note: [^]The legal proceedings of 23 other cases involving fitness services are still in progress

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)234****(Question Serial No. 0871)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Rights and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

According to the Customs and Excise Department (C&ED), the provision for this Programme for 2020-21 is \$87.1 million (22.1%) higher than the revised estimate for 2019-20, which is mainly due to the net increase of 117 posts to meet operational needs and increased operating expenses. Will the Government provide the respective scopes of duties of the posts involved, the departments/branches to which they belong and a breakdown of the expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 15)Reply:

In 2020-21, there are 117 additional posts under Programme (3) Intellectual Property Rights and Consumer Protection, involving about \$62.45 million of salary expenditure. The new posts are mainly for providing additional manpower to conduct research support and preparation work for the proposal of a statutory cooling-off period for beauty and fitness services consumer contracts. The new posts also include posts for implementing the statutory cooling-off period and regulating the safety of non-telecommunication functions of mobile phones and other telecommunications consumer goods, which will be created only after the completion of the relevant legislative exercises. The details of the new posts are as follows:

Rank	Number
Assistant Commissioner of Customs and Excise	1
Superintendent of Customs and Excise	1
Assistant Superintendent of Customs and Excise	3
Senior Inspector of Customs and Excise	9
Inspector of Customs and Excise	11

Rank	Number
Chief Customs Officer	5
Senior Customs Officer	18
Customs Officer	46
Chief Trade Controls Officer	1
Senior Trade Controls Officer	4
Trade Controls Officer	7
Assistant Trade Controls Officer	9
Electronics Engineer / Assistant Electronics Engineer	2
Total:	117

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3018)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “the continuation of monitoring the implementation of the amended Trade Descriptions Ordinance (TDO) in tackling unfair trade practices that may be deployed in consumer transactions”, there have been a number of complaints from the public recently about traders selling anti-epidemic products of unknown origin (such as masks, disinfectant alcohol, etc.), and such products even contain untrue descriptions.

1. What are the staff establishment and expenditure for the investigation of unfair trade practices relating to anti-epidemic products by the Customs and Excise Department (C&ED) since January this year? Have any additional resources been deployed for investigation in view of the complaints?
2. In respect of the complaints relating to anti-epidemic products, how many inspections have C&ED conducted? How many shops are suspected of contravening the TDO? How many persons involved have been arrested? How many cases are there in which prosecutions have been instituted?
3. For cases suspected of contravening the TDO, what is the total value of the goods involved in each case? What are the quantity and value of goods by type of anti-epidemic products in each case?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 10)

Reply:

Currently, there are 227 C&ED officers responsible for the enforcement of the Trade Descriptions Ordinance (TDO) by handling reporting, investigation and relevant enforcement work related to unfair trade practices. The expenditure involved in 2019-20 is about \$122 million. It is difficult to quantify the manpower and expenditure involved by category of goods separately.

C&ED launched a large-scale territory-wide special operation codenamed “Guardian” on 27 January 2020 to conduct spot checks, test purchases and inspections in various districts on surgical masks and other anti-epidemic products for sale in the market to ensure that these products comply with the TDO and the Consumer Goods Safety Ordinance (CGSO). As at end of March 2020, during 65 consecutive days of operation, more than 3 600 officer-deployments have been made by C&ED to conduct over 25 000 inspections at retail spots that sell surgical masks and other anti-epidemic products. The officers have also test-purchased more than 100 samples of surgical masks for sale in the market for tests on bacterial counts, more than 20 types of hand sanitizer for safety tests, and 9 types of disinfectant alcohol for tests on their composition.

During the operation, there have been a total of 12 cases in which traders were suspected of contravening the TDO and CGSO when supplying anti-epidemic products. C&ED has arrested a total of 39 persons involved, and has seized 68 000 surgical masks, 306 bottles of disinfectant alcohol and 23 bottles of normal saline of an estimated total market value of over \$400,000. The cases are still under investigation.

The “Guardian” operation will continue and C&ED will take appropriate enforcement action against traders whose selling practice is found to be in potential violation of the relevant legislation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)236

(Question Serial No. 3021)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the increasing number of complaints about false trade descriptions and unfair trade practices involved in online transactions in recent years:

1. Is there any manpower/team in the Customs and Excise Department (C&ED) dedicated to combating unfair trade practices on the Internet at present?
2. In relation to online transactions, what were (a) the numbers of complaints received by C&ED, (b) the numbers of prosecutions, (c) the numbers of convictions, (d) the maximum penalty imposed on convicted individual/company, and (e) the average penalty imposed in the past 3 years?
3. In relation to the aforesaid enforcement work, what are the approaches adopted by C&ED for investigation and enforcement at present? Does C&ED have any new type of enforcement work or direction in 2020-21?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 29)

Reply:

The Trade Descriptions Ordinance (TDO) is equally applicable to trade practices of online traders and physical stores. Currently, a total of 227 C&ED officers are deployed to carry out enforcement work under the TDO against both online traders and physical stores.

The numbers of complaints against unfair trade practices related to “online shopping” received and the relevant enforcement figures in relation to C&ED’s enforcement of the TDO for the past 3 years were as follows:

Year	2017	2018	2019
Number of complaints	1 227	1 561	999
Number of investigations	6	9	8
Number of prosecutions	8	4	2

Year		2017	2018	2019
Number of convictions (company/individual)		11	5	2
Maximum penalty	Fine	\$54,000	\$60,000	\$5,000
	Imprisonment (suspended sentence)	-	6 months' imprisonment (suspended for 3 years)	-
	Community service order	100 hours	-	-
Average fine		\$19,250	\$25,625	\$4,000

Unfair trade practices may occur in different sales channels, including Internet trading platforms. C&ED will continue to monitor different types of illegal online activities by using advanced tools for evidence collection and investigation, and initiate follow-up actions and prosecutions where appropriate. If local or overseas websites are found to be conducting illegal activities, C&ED may demand such websites to remove the relevant contents or links. Depending on the circumstances, joint operations with overseas enforcement agencies will also be mounted as and when required.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)237****(Question Serial No. 0516)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services will be strengthened in 2020-21.

In the past 3 years, what were the number of enforcement actions taken by the Customs and Excise Department (C&ED) per year on average, the details of the offences involved, and the staff establishment responsible for taking these actions? Will the additional staff on the establishment be involved in carrying out inspections in this respect in response to the statement of strengthening enforcement actions?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 27)

Reply:

The figures in relation to C&ED's enforcement of the Trade Descriptions Ordinance (TDO) in the past 3 years were as follows:

Offence	Breakdown of figures	2017	2018	2019
False trade descriptions	Number of complaints	6 169	9 021	6 520
	Number of investigations	78	89	106
	Number of prosecutions	47	34	49
	Number of convicted companies/individuals	43	42	49
Misleading omissions	Number of complaints	213	278	456
	Number of investigations	10	5	6
	Number of prosecutions	7	10	6
	Number of convicted companies/individuals	11	7	5

Offence	Breakdown of figures	2017	2018	2019
Aggressive commercial practices	Number of complaints	151	312	602
	Number of investigations	2	13	21
	Number of prosecutions	2	0	26
	Number of convicted companies/individuals	4	0	6
Bait advertising	Number of complaints	8	9	18
	Number of investigations	1	0	2
	Number of prosecutions	2	0	2
	Number of convicted companies/individuals	1	2	3
Bait and switch	Number of complaints	2	3	7
	Number of investigations	0	2	1
	Number of prosecutions	0	3	0
	Number of convicted companies/individuals	0	2	2
Wrongly accepting payment	Number of complaints	376	1 195	626
	Number of investigations	9	16	4
	Number of prosecutions	2	5	2
	Number of convicted companies/individuals	3	4	2
Other offences under the TDO [^]	Number of complaints	3	0	4
	Number of investigations	8	17	8
	Number of prosecutions	14	14	8
	Number of convicted companies/individuals	16	15	8

Note: [^]Such as the offences under sections 4 and 12 of the TDO.

Currently, there are 227 C&ED officers responsible for the enforcement of the TDO. These include the 37 additional enforcement officer posts created in 2019-20 to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)238

(Question Serial No. 0915)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

To step up clearance facilitation measures, the Customs and Excise Department (C&ED) and the Mainland Customs launched the Single E-lock Scheme (the Scheme) in 2016. In this regard, please advise this Committee:

1. of the percentage of cross-border cargoes that avoided repeated inspections by both Hong Kong and Guangdong Customs under the Scheme each year in all cross-border cargoes since the launch of the Scheme;
2. of the work plans and resources involved in the promotion of the Scheme in 2020-21; and
3. with regard to setting up more clearance points in the Mainland, as the commissioning of the Hong Kong-Zhuhai-Macao Bridge will facilitate the logistics services between Hong Kong and Zhuhai, whether C&ED will consider increasing the number of clearance points in Zhuhai as there is currently only one in Doumen? If yes, what are the details? If no, what are the reasons?

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 34)

Reply:

The Single E-lock Scheme (SELS) was first launched on a pilot basis in 2012, and targets inter-modal transshipment cargoes between Hong Kong and the Mainland of China. SELS helps reduce repeated inspections on the same consignment by both customs authorities, with a view to speeding up the flow of cargo. Since the pilot launch of SELS in 2012, more than 6.6 million consignments transhipped through Hong Kong to and from the Mainland were processed under SELS. More vehicles have been registered under SELS in recent years.

C&ED's work plan for promoting SELS in 2020-21 is as follows –

- (a) To make preparations for extending SELS to the Heung Yuen Wai Boundary Control Point for formal implementation upon the latter's commissioning;
- (b) To organise promotional activities in the Guangdong Province to further encourage the cross-boundary logistics trade to participate in SELS;
- (c) To strengthen communication with the trade and the Mainland Customs so as to explore room for further enhancing SELS; and
- (d) To study the feasibility of enhancing the design and system of the single e-lock, so as to improve quality and efficiency.

The TechConnect Block Vote under the Innovation and Technology Bureau has allocated \$8.1 million for the study under item (d), which is expected to be completed in 2021-22. The other items set out above are part of C&ED's day-to-day work. It is difficult to quantify the expenditure separately.

At present, 52 clearance points under SELS have been set up in the Guangdong Province, including 43 which cover all nine Mainland municipalities in the Guangdong-Hong Kong-Macao Greater Bay Area. C&ED will continue to closely liaise with the Hong Kong cargo freight and logistics trade through regular meetings of the Transshipment Cargo Clearance Facilitation Customer Liaison Group, and convey their views and business needs (including establishment of more clearance points in the Mainland) to the Mainland Customs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)239

(Question Serial No. 0858)

Head: (33) Civil Engineering and Development Department
Subhead (No. & title): (-) -
Programme: (1) Tourism and Recreational Development
Controlling Officer: Director of Civil Engineering and Development (Ricky C K LAU)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2020–21, Civil Engineering and Development Department will monitor and co-ordinate the development plans of the Ocean Park and Hong Kong Disneyland Resort. Would the Government advise the manpower arrangements, work details and expenditure to be involved?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 9)

Reply:

The Civil Engineering and Development Department (CEDD) provides engineering advice to the Tourism Commission on the development plans of the Ocean Park and Hong Kong Disneyland Resort, as well as to co-ordinate and liaise with these two theme parks and relevant parties as regards issues relating to engineering works.

The CEDD has been deploying existing staff resources for the above tasks. In the light of the Strategic Repositioning Plan proposed by the Ocean Park, CEDD will arrange additional manpower in a timely manner for coordination work as necessary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)240

(Question Serial No. 5128)

Head: (33) Civil Engineering and Development Department
Subhead (No. & title): (-) -
Programme: (1) Tourism and Recreational Development
Controlling Officer: Director of Civil Engineering and Development (Ricky C K LAU)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was mentioned in Programme (1) that the Department would monitor and co-ordinate the development plans of the Ocean Park and Hong Kong Disneyland Resort. In this connection, please advise:

the progress of the works related to the construction of the Water Park for which the Government made a loan of \$2.29 billion to the Ocean Park; as well as the estimated extra project cost arising from the repeated delays in the works.

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 110)

Reply:

Tai Shue Wan waterpark is a development project that the Ocean Park Corporation constructs and operates on its own. It is anticipated the project will be completed within 2021.

The Civil Engineering and Development Department (CEDD) currently deploys existing staffing resources to provide engineering advice on the waterpark project as well as to co-ordinate and liaise with relevant parties as regards issues relating to engineering works. The project completion date does not incur extra costs to the CEDD.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)241****(Question Serial No. 1845)**Head: (48) Government LaboratorySubhead (No. & title): (-) -Programme: (1) Statutory TestingControlling Officer: Government Chemist (Dr SIN Wai-mei)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

In 2019, the Government Laboratory performed 4 995 sampling tests on non-pharmaceutical consumer goods (trade descriptions). In this connection, please inform this Committee of the following:

1. a breakdown of the 4 995 samples by type of goods;
2. a breakdown by type of goods of cases found to have contravened the orders or regulations under the Trade Descriptions Ordinance and cases eventually convicted in court among the 4 995 samples;
3. the measures implemented to protect consumers by prohibiting false, misleading or incomplete information and misstatements in respect of goods provided by unscrupulous traders on top of acting upon notification and conducting random tests regularly; and
4. the estimated expenditure for performing tests on non-pharmaceutical consumer goods (trade descriptions).

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

A breakdown of the 4 995 tests performed by the Government Laboratory on non-pharmaceutical consumer goods (trade descriptions) in 2019 is as follows:

Type of Goods	Number of Tests	Number of Tests Performed on Samples involved in Conviction Cases in relation to Violation of TDO[^]	Number of Conviction Cases
Food	3 461	380	3
Chinese medicine	765	90	9
Others	769	75	8
Total	4 995	545	20

Note: ^ the number of tests performed on a sample would vary depending on the procedure of examination, and an individual case may involve tests performed on multiple samples

C&ED has all along been proactive in handling complaints by conducting in-depth investigations and collecting evidence. In addition, C&ED conducts different forms of patrols and test purchases targeting high risk products and shops with repeated complaints to protect consumers' interests. C&ED will continue to actively enforce the TDO by adopting a three-pronged approach, including enforcement, compliance promotion as well as education and publicity to combat common unfair trade practices at source.

In 2020-21, the estimated expenditure for performing tests on non-pharmaceutical consumer goods (trade descriptions) by the Government Laboratory is \$6.1 million.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)242****(Question Serial No. 4911)**Head: (78) Intellectual Property DepartmentSubhead (No. & title): (-) -Programme: (-) -Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Intellectual Property Department from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice

			that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by the Intellectual Property Department from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					

2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					

2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 481)

Reply:

During the period from October 2018 to September 2019, the Intellectual Property Department (IPD) did not receive any request for which only part of the required information was provided or the required information was not provided under the Code on Access to Information (the Code).

During the period from 2015 to September 2019, no review case was received by IPD.

During the period from 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days and 11 to 21 days from the date of receipt of a request were 5 and 2 respectively.

During the period from 2016 to September 2019, there was no case where the information could not be provided within 21 days from the date of receipt of a request.

During the period from 2016 to September 2019, there was no case where a request for information was refused.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)243

(Question Serial No. 0422)

Head: (78) Intellectual Property Department

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

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2020-21 under this Programme that the Intellectual Property Department (IPD) will, inter alia, organise promotion and education activities, in particular for small and medium enterprises, with emphasis on intellectual property protection and management. Please inform this Committee of the details of the relevant work and the expenditure required, the specific plan for the coming year, as well as the effectiveness and expenditure of the IPD's work in this respect in recent years.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 26)

Reply:

Small and medium enterprises (SMEs) have always been the prime target of IPD's promotion and education efforts. Through activities such as seminars, workshops and exhibitions, we have been helping SMEs understand the importance of protecting and managing their intellectual property (IP) rights and raise their awareness of innovation and IP trading. Moreover, to tie in with the promotion of Hong Kong as an IP trading hub in the Asia-Pacific region, we will continue to assist SMEs to enhance their competitiveness through IP management and IP commercialisation, so that they may tap the opportunities brought by IP trading.

In 2020-21, IPD will continue to implement a series of initiatives, and key items include:

- promoting the new patent system (of which an integral part involves the "Original Grant" patent system) that was launched in December 2019, as well as IP trading and related support services, through different channels including websites, exhibitions, seminars, trade magazines and business associations;
- collaborating with IP authorities on the Mainland to promote IP protection, management and trading to the business sector regarding their businesses on the

Mainland (e.g. co-organising activities with the IP authorities of the Guangdong Province such as seminars for SMEs and exchange activities, and disseminating latest information on the IP regimes of Guangdong, Hong Kong and Macao);

- implementing the “IP Manager Scheme” and the free “IP Consultation Service Scheme”, and sponsoring and promoting training courses on IP-related subjects organised by professional bodies and business organisations;
- co-organising the “Business of IP Asia” Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre; and
- promoting through videos on how Hong Kong enterprises may leverage on the unique competitive advantages of different cities in the Greater Bay Area to commercialise their IP and enter into the global market successfully.

IPD has all along been keeping in touch with the industry and stakeholders, conducting regular surveys on public awareness of IP protection, and collecting feedback from participants of the relevant promotion and education activities, in assessing the effectiveness of the relevant activities and drawing up appropriate promotion strategies and programme plans. The feedback from the industry and stakeholders is positive in overall terms.

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

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2916)

Head: (78) Intellectual Property Department
Subhead (No. & title): (-) -
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Small and medium enterprises (SMEs) are amongst the main targets of the promotion and education efforts of the Intellectual Property Department (IPD). In this regard, please inform this Committee of:

- (1) the details of seminars, workshops and exhibitions organised/co-organised by IPD in 2019-20; and
- (2) the details of the work for strengthening co-operation with the Greater Bay Area and the Pan-Pearl River Delta region to assist SMEs operating in the Mainland in protecting and managing their intellectual property assets, as well as the manpower involved and the effectiveness of such work.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 37)

Reply:

Small and medium enterprises (SMEs) have always been the prime target of IPD's promotion and education efforts. Through activities such as seminars, workshops and exhibitions, we have been helping SMEs understand the importance of protecting and managing their intellectual property (IP) rights and raise their awareness of innovation and IP trading. Moreover, to tie in with the promotion of Hong Kong as an IP trading hub in the Asia-Pacific Region, we will continue to assist SMEs to enhance their competitiveness through IP management and IP commercialisation, so that they may tap the opportunities brought by IP trading.

In 2019-20, activities for SMEs organised by IPD on its own or in collaboration with others include:

- the “Seminar on IP Licensing in Film, TV and Entertainment Industries” organised by IPD in May and June 2019 to introduce the basic concepts and elements of IP licensing in Film, TV and Entertainment industries;
- the IP Manager Training Programme organised by IPD in June and December 2019 to enhance the manpower capacity of businesses, especially SMEs;
- the Seminar on Administrative Law Enforcement on IP, IP Protection Strategy for Enterprises, and the Patent Law Amendment (Draft) in China jointly organised by IPD and the Federation of Hong Kong Industries in June 2019, during which representatives of the China National Intellectual Property Administration (CNIPA) gave a presentation on the Mainland’s work on IP, administrative law enforcement and protection;
- the “Mainland and Hong Kong SAR, Macao SAR Intellectual Property Symposium” organised by IPD in collaboration with CNIPA and the Economic Bureau of the Government of the Macao SAR in September 2019 to keep the business sector abreast of the latest developments in protection of IP rights and promotion of IP trading in the three places;
- the “Guangdong/Hong Kong Seminar on Intellectual Property and Development of Small and Medium Enterprises” organised by IPD in collaboration with the Hong Kong Trade Development Council (HKTDC), the Guangdong Province Administration for Market Regulation (Guangdong Intellectual Property Administration) and the Guangzhou Development District Administrative Committee in September 2019 to assist enterprises to enhance their IP protection and management capacity;
- the Workshop organised by IPD in October 2019 to introduce the IP registration procedures in Hong Kong and impart fundamental knowledge about applying for registration of IP in Hong Kong;
- the Seminar on the Launch of the New Patent System and Patenting Strategies in Hong Kong jointly organised by IPD and the Support and Consultation Centre for SMEs of the Trade and Industry Department in October 2019;
- the “Business of IP Asia Forum” jointly organised by the Government, HKTDC and the Hong Kong Design Centre in December 2019, with IPD participating in the exhibition held during the Forum; and
- the Practical Workshop for IP Managers organised by IPD in January 2020 to encourage and assist IP Managers to effectively protect and manage IP assets in their enterprises, and integrate IP commercialisation and IP trading into their overall business strategy.

Over the years, under the framework of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights (the Expert Group), IPD has been collaborating with various cities in Guangdong Province in organising a variety of activities to support the business sector (including SMEs) in strengthening IP protection and management for their Mainland operations.

On the premise of complementing the advantages of Guangdong and Hong Kong and achieving mutual benefits, the Expert Group has incorporated into its work plan items related to promoting IP co-operation in the Greater Bay Area since 2017-18, with a view to fully capitalising on the opportunities brought by the development of the Greater Bay Area.

In order to assist the business sector (including SMEs) in enhancing the protection and management of their IP rights on the Mainland (including the Greater Bay Area), IPD and the IP authorities of Guangdong Province jointly organised a wide array of activities in 2019-20. Apart from some of the items mentioned above, such activities include thematic seminars (e.g. the “Guangdong/Hong Kong Seminar on Intellectual Property and Development of Small and Medium Enterprises”) and exchange activities (e.g. a seminar on the theme of “Brand Development of Classic Old Shops/Time-honoured Brands: Rebranding”) to encourage enterprises to formulate appropriate IP strategies so as to grasp the opportunities brought by the development of the Greater Bay Area. Moreover, IPD and the Guangdong Province Administration for Market Regulation (Guangdong Intellectual Property Administration) jointly launched a publicity video on IP rights (trade marks) to promote IP commercialisation in the Greater Bay Area. IPD also co-organised the Greater Bay Area High Value Patent Portfolio Contest 2019 with the IP authorities of Guangdong Province and the Macao SAR to identify high-potential patent inventions, promote the commercialisation of research and development results and strengthen the exploitation of IP rights. In addition, IPD continued to work closely with the IP authorities in the Pan-Pearl River Delta region in promoting further the economic development of the region in an innovative manner by embracing opportunities brought by the development of the Greater Bay Area.

The above co-operation items are mainly implemented by the Marketing Division (MD) of IPD. At present, MD has a total of 12 staff members. Its scope of work covers publicity and education on various IP rights, promotion of IP trading and collaboration with Mainland and overseas IP authorities. Supporting the business sector (including SMEs) in strengthening IP protection and management in the Mainland is part and parcel of IPD’s overall marketing work. It is therefore difficult to quantify the resources required for such efforts separately.

IPD has all along been keeping in touch with the industry and stakeholders, conducting regular surveys on public awareness of IP protection, and collecting feedback from participants of the relevant promotion and education activities, in assessing the effectiveness of the relevant activities and drawing up appropriate promotion strategies and programme plans. The feedback from the industry and stakeholders is positive in overall terms.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)245

(Question Serial No. 3758)

Head: (78) Intellectual Property Department
Subhead (No. & title): (-) -
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2020-21 that the Department will continue the outreach effort to young people on intellectual property (IP) protection through school visits and promotion activities. In this connection, please inform this Committee of the following:

- (a) In 2019-20, what promotion and education activities with emphasis on IP protection and management did the Government organise? How many school visits and promotion activities were conducted? What were the respective expenditures involved? How was the importance of copyright protection in the digital environment promoted to the public through such promotion and education activities?
- (b) In 2020-21, what promotion and education activities with emphasis on IP protection and management will the Government organise? How many school visits and promotion activities will be conducted? What are the respective estimated expenditures involved? How will the importance of copyright protection in the digital environment be promoted to the public through such activities?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 75)

Reply:

The Intellectual Property Department (IPD) attaches great importance to the promotion and education work on enhancing the public's awareness of and respect for IP rights. Apart from implementing the "No Fakes Pledge" Scheme (which encourages retail merchants to pledge not to sell counterfeit and pirated products) and the "I Pledge" Campaign (which encourages consumers not to buy or use pirated and counterfeit goods, and not to get involved in Internet piracy activities), IPD supports a diversified range of publicity and education activities by co-organising talks, creativity competitions and large-scale promotional events with various organisations. IPD also produces Announcements in the Public Interest (APIs) from time to time, and organises activities targeted at schools such as

interactive drama programmes, visits to primary and secondary schools as well as talks in tertiary institutions, etc. to disseminate the messages of respecting creativity, protecting IP rights and stopping online infringement. In 2019, IPD organised 95 interactive drama programmes for primary and secondary schools and 81 school visits, as well as 16 talks in tertiary institutions.

In 2020-21, IPD will continue with the above efforts. Items under planning include:

- producing and broadcasting APIs;
- producing leaflets for distribution at seminars, exhibitions and schools and for uploading onto IPD's website;
- producing and placing supplements targeted at students in local newspapers;
- organising promotional activities for members of the "I Pledge" Campaign; and
- organising an inter-school online quiz.

Promoting awareness of and respect for IP rights is part and parcel of IPD's overall publicity and education plan. It is therefore difficult to quantify the resources involved for such efforts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)246

(Question Serial No. 6072)

Head: (78) Intellectual Property Department

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

Programme: (-) -

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Intellectual Property Department (IPD) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that the IPD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that the IPD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that the IPD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that the IPD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that the IPD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

- g. Please set out the quantity, value, stock and consumption of goggles that the IPD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Consumption

- h. Did the IPD supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

- i. If the IPD is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 161)

Reply:

In the past three years, the Intellectual Property Department (IPD) obtained surgical masks produced by the Correctional Services Department from the Government Logistics Department (GLD). We also procured surgical masks from the market for staff use, but we have not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (PPE) around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

IPD did not supply or sell any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)247****(Question Serial No. 1065)**

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate for 2020-21 is \$16.5 million higher than that of 2019-20, representing an increase of 11.4%. As stated in the analysis on page 675 of the Controlling Officer's Report, this is mainly due to the increased provisions for strengthening global investment promotion and related work, bolstering investment promotion efforts in the Greater Bay Area, enhancing support to startups and the manpower support in the Invest Hong Kong's Head Office. However, according to the indicators under the key performance measures on page 674, foreign direct investment inflow into Hong Kong has recorded a declining trend from 2016 to 2018. In this connection, would the Government advise this Committee of whether the increased provisions could help reverse the continuous declining trend of direct investment and what the estimated growth would be?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 34)

Reply:

Foreign direct investment ("FDI") inflow into Hong Kong may be affected by a range of factors not directly related to productive investment, because of Hong Kong's role as a major international financial centre and home to large groups often with subsidiaries outside Hong Kong. The actual figures of FDI inflow into Hong Kong of 2016 to 2018 are included in the Controlling Officer's Report, and no estimation for the coming year is made.

Global FDI measured by capital flows has decreased in 2016 to 2018, and the same trend is observed in Hong Kong, as shown in the table below:

Year-on-year change of FDI inflow	2016	2017	2018
Global	-6%	-22%	-13%
Hong Kong	-33%	-5%	-5%

The year-on-year decrease in FDI inflow into Hong Kong in 2017 and 2018, at 5%, was substantially lower than the global figures. As for 2016, the year-on-year decrease of 33% was mainly attributable to the considerable increase in FDI inflow in 2015 due to the significant restructuring and related merger and acquisition activities undertaken by certain corporates, resulting in a higher base of comparison.

To measure and monitor its performance, Invest Hong Kong (“InvestHK”) sets targets for the number of its completed projects each year (with an estimated figure shown in the Controlling Officer’s Report), and also tracks the number of jobs created in the first year of operation or expansion of those projects. It is found that both have increased in the past few years, as shown in the table below:

Number of	2016	2017	2018	2019
Completed projects	391	402	436	487
Jobs created	3 968	5 098	5 268	6 009

Since there are many variables which may influence FDI inflow into Hong Kong as illustrated above, it is not possible for InvestHK to estimate its future trend. Nevertheless, against the backdrop of global macro-economic challenges and keen global competition for FDI, InvestHK is committed to continue stepping up its promotion efforts to attract more FDI into Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)248

(Question Serial No. 1041)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that in 2019, Invest Hong Kong conducted about 7 600 meetings with target companies in key geographic markets. It also focused on encouraging companies from the Mainland, Taiwan and emerging markets including those along the Belt and Road to set up operations in Hong Kong. In this regard, please advise this Committee of the effectiveness of the relevant work, the number of target companies attracted to establish operations in Hong Kong, the extent to which the relevant work is expected to be affected amid the development of the epidemic around the world, and whether this will lead to a reduction in the number of attracted companies.

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 23)

Reply:

In 2019, Invest Hong Kong (“InvestHK”) conducted various investment promotion activities including marketing campaigns, seminars, investment promotion visits and sponsorship of major events to attract and assist companies from around the world to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development. InvestHK also maintained liaison with consulates and chambers of commerce to connect with Mainland and overseas companies that have set up in Hong Kong to facilitate their business expansion.

InvestHK completed a total of 487 investment projects in 2019. In 2020-21, in face of the challenges arising from the COVID-19 outbreak, InvestHK will further step up its investment promotion work by adopting a sector-focused and market-oriented approach, to proactively identify and reach out to companies in target sectors in key geographical markets such as Canada, Europe, India, Mainland China, the Middle East, Southeast Asia and the United State.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1042)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that Invest Hong Kong provides one-to-one support services to companies throughout the planning and execution of their expansion in Hong Kong. The Department continues to strengthen its aftercare support service to companies already established in Hong Kong. In this regard, please advise this Committee of the number of companies which were provided with such services, and the specific details and effectiveness of such services over the past year.

Asked by: Hon Chin Kin-por (LegCo internal reference no.: 24)

Reply:

Invest Hong Kong (“InvestHK”) conducts aftercare contacts with investors who have previously been assisted by InvestHK and other multinational companies which have set up operations in Hong Kong, to keep track of their developments and to help them identify and seize opportunities to grow, expand and create new jobs in Hong Kong. InvestHK provides to those companies latest market information, advice on business regulations, Government’s funding and support schemes, as well as publicity and networking opportunities, etc.

In 2018-19, InvestHK set up a dedicated team to enhance the provision of aftercare services for overseas and Mainland companies. The dedicated team has developed a programme to reach out to strategic overseas and Mainland companies in a structured and systematic manner. The programme includes holding strategic discussions with key investors to help them consider and evaluate new areas and opportunities for growth, including those arising from the Belt and Road Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area development and innovation and technology development.

InvestHK's aftercare programme also extends to one-to-one meetings with investors at their company headquarters outside Hong Kong. These meetings affirm the Government's commitment to supporting foreign investment and aim to give the companies' senior management the confidence in continuing to do business and invest in Hong Kong.

In addition to the dedicated team mentioned above, staff in our Hong Kong-based sector teams and all of our overseas/ Mainland investment promotion units are actively engaged in the aftercare programme.

In 2019-20, InvestHK made contact with over 1,200 companies that it has previously assisted, mostly through one-to-one meetings, as well as through networking events and other meeting opportunities it organised. The feedback received was that the companies were receptive and appreciative of the efforts made by InvestHK to offer support. Companies were eager to learn about the support measures and policies of the Government, such as the funding schemes and loan guarantee schemes.

In 2020-21, high-level conferences and roundtables, on top of one-to-one meetings, will be organised in global business centres such as Japan and the US. These events will enhance networking with key decision makers, providing them with up-to-date information on the business environment of Hong Kong and latest Government policies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)250

(Question Serial No. 1043)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

As stated under this Programme, Invest Hong Kong will continue to focus investment promotion efforts on priority sectors, with emphasis on the financial services, transport and logistics, innovation and technology as well as creative industries sectors. In fact, the HKSAR Government has planned to reinstate Hong Kong's status as an international insurance hub. In this connection, please advise this Committee of whether Invest Hong Kong has promoted Hong Kong's insurance industry internationally and assisted international insurance companies in investing in Hong Kong.

Asked by: Hon Chan Kin-por (LegCo internal reference no.: 25)

Reply:

Invest Hong Kong ("InvestHK") has been working closely with the key stakeholders such as the Insurance Authority and the Financial Services Development Council ("FSDC") to strengthen efforts to promote the insurance industry of Hong Kong. InvestHK has been discussing with FSDC to jointly organise a series of visits and activities to promote Hong Kong's financial services industry (including the insurance industry) in 2020.

To promote Hong Kong's insurance industry internationally and assist international insurance companies to invest in Hong Kong, the following work has been carried out by InvestHK -

- participating in international insurance industry forums and conferences to promote Hong Kong's status as an international insurance hub;
- conducting overseas investment promotion visits to encourage multinational financial groups to set up or expand insurance business in Hong Kong, so as to grasp the business opportunities arising from Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative;

- maintaining liaison with associations of the insurance industry, so as to reach out to mainland and overseas financial companies which are interested in setting up or have already set up business in Hong Kong, and assist them to set up and expand their insurance business in Hong Kong;
- providing one-stop services to enterprises which are planning to set up insurance companies in Hong Kong, including providing assistance in applying for insurance licences and work visas for their employees; introducing service providers to assist in company registration, office leasing and the hiring of employees; providing updated information relating to business regulations and government support for the insurance industry; providing assistance in publicity of launch of business operations and providing networking opportunities for establishing business networks; and
- identifying and approaching important financial groups and insurance companies for strategic discussions to assist them in researching new growth areas and promoting Hong Kong's unique strengths through the investment promotion units in HKSAR Government's Offices in the Mainland and its overseas Economic and Trade Offices, and other overseas consultants.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)251

(Question Serial No. 4912)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by Invest Hong Kong from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the

			Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by Invest Hong Kong from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such
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		to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			

2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they

			department which held the information under request		did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 482)

Reply:

During the period from October 2018 to September 2019, Invest Hong Kong (“InvestHK”) did not receive any request for which only part of the required information was provided or the required information was not provided.

During the period from 2015 to September 2019, no review case was received by InvestHK.

During the period from 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from the date of receipt of the requests were zero, two and one respectively, among which there were two cases in which the information requested could not be provided since the requests had to be transferred to another department which held the requested information. There was no case in which the required information was refused under the exemption provisions in Part 2 of the Code.

During the period from 2016 to September 2019, the main reason for not providing the information requested within 21 days from the date of receipt of the requests was that longer time was required to prepare the information which was complex and detailed.

During the period from 2016 to September 2019, there was no case where information could not be provided within 51 days from the date of receipt of a request.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)252

(Question Serial No. 0276)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2020-21, Invest Hong Kong will continue to focus investment promotion efforts on priority sectors, with emphasis on the financial services, transport and logistics, innovation and technology as well as creative industries sectors. What are the specific measures and expenditure to be involved? In the last financial year (2019-20), what were the achievements of promotion efforts in this regard? What was the expenditure involved? Please provide the figures in respect of key priority sectors.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 16)

Reply:

In 2020-21, Invest Hong Kong (“InvestHK”) will continue to adopt a sector-focused approach in attracting overseas, Mainland and Taiwan companies in priority sectors and industries where Hong Kong has a clear competitive edge through its global network of Investment Promotion Units and overseas consultants. Specific target industries include financial services, transport and logistics, innovation and technology as well as creative industries sectors.

InvestHK will continue to work in close partnership with other organisations responsible for promoting Hong Kong overseas, including HKSAR Government’s Offices in the Mainland and its overseas Economic and Trade Offices, Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation, Cyberport and Create Hong Kong through regular meetings and joint promotion events, as well as to organise seminars and receptions for specific sectors and target geographical markets, and sponsor major local and overseas events, with a view to promoting the business opportunities in priority sectors.

In 2019, InvestHK completed a total of 487 investment projects, including 51 investment projects from financial services, 44 from transport and logistics, 60 from innovation and technology, 46 from information and communications technology and 44 from creative industries.

InvestHK will continue to reach out to companies in various sectors, and to provide supporting services to companies which have interest to start or expand business in Hong Kong. In 2020-21, InvestHK will continue its efforts in promoting the innovation and technology sector to align with the policy objectives of the Government, and will also continue to strengthen its digital marketing and social media strategy for attracting more Mainland and international companies to set up in Hong Kong.

In 2019-20, the estimated actual expenditure for organising and sponsoring sector-focused events is around \$6.9 million while the estimated expenditure in 2020-21 is around \$10.3 million. These figures do not include staff cost, general marketing and promotion expenses and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)253

(Question Serial No. 0425)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2020-21 under this Programme that Invest Hong Kong will, inter alia, continue to attract global startups to set up business in Hong Kong and to promote Hong Kong as a leading hub for startups and entrepreneurship. Please inform this Committee of the effectiveness of such work in the past year. What was the expenditure involved? Which global startups were attracted to start their business in Hong Kong? What are the specific work plans for the new financial year? How will Invest Hong Kong promote Hong Kong as a leading hub for startups and entrepreneurship? What is the promotion focus and what are the expected types of trades to be attracted to Hong Kong for development? What is the estimated expenditure? Please explain in table form.

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

Reply:

Invest Hong Kong (“InvestHK”) launched its StartmeupHK programme in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses.

In 2019, InvestHK assisted 70 innovation-driven and technology-driven startups to set up their business operations in Hong Kong. They come from different sectors including innovation and technology, information and communications technology, financial technology etc.

To track the growth of the startup ecosystem, InvestHK conducted its sixth annual survey in 2019 to poll operators of major co-work spaces, incubation and accelerator programmes in Hong Kong. The results showed that as at November 2019, a total of 3 184 startups were operating in these premises, representing an increase of 21% (or 559 startups) over the past

year, and the number of people employed by startups also increased by some 31% to about 12 478.

To showcase the vibrant environment of Hong Kong as a leading hub for startups, the annual StartmeupHK Festival (“the Festival”) has been organised by InvestHK since 2016. Due to the COVID-19 outbreak, the Festival originally scheduled for February 2020 has been postponed to July 2020. During the Festival, InvestHK, in collaboration with experts from different domains, will roll out a series of activities, including keynote speeches, panel discussions, exhibition areas, career fair, investor workshops, one-to-one business matching meetings, startup and student pitches, and an open innovation forum, covering themes such as smart city, smart living, retail technology, artificial intelligence, and co-innovation for startups and corporates. In 2019, the Festival attracted over 17 000 delegates.

In addition, InvestHK will continue to step up its outreach work to startup communities in other locations through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting its own events and working in conjunction with HKSAR Government’s Offices in the Mainland and its overseas Economic and Trade Offices and organisations such as Cyberport, Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major startup hub.

In 2020-21, InvestHK plans to stage/sponsor startup events in Amsterdam, Bangkok, London, Madrid, cities in Mainland China, Paris, San Francisco and Toronto to reach out to potential entrepreneurs.

The estimated actual expenditure for conducting the related investment promotion activities for 2019-20 is around \$10.9 million; while the estimated expenditure for 2020-21 is around \$13.0 million. These figures do not include general marketing and promotion expenses and administrative overhead expenses which cannot be quantified separately. As the investment promotion activities are mostly of cross-sector nature, we are unable to provide breakdown of estimated expenditure by sectors.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0427)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in "Matters Requiring Special Attention in 2020-21" that Invest Hong Kong will, inter alia, strengthen global investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular those from the Mainland and Belt and Road markets, so as to capitalise on the business opportunities arising from Greater Bay Area development and the Belt and Road Initiative. Please advise this Committee of the effectiveness of such work in 2019-20 and the expenditure involved. Please provide specific figures or cases for illustration. What are the specific plans for the coming financial year? What is the expenditure to be incurred in the implementation of the relevant measures? What is the expected outcome?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 31)

Reply:

Invest Hong Kong ("InvestHK") conducts marketing campaigns, seminars and investment promotion visits to attract and assist multinational companies (in particular those from the Mainland and Belt and Road markets) to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") development and the Belt and Road Initiative. InvestHK also maintains liaison with consulates and chambers of commerce to connect with Mainland and overseas companies that have set up in Hong Kong to facilitate their business expansion. In 2019, InvestHK assisted 201 companies from the Mainland and Belt and Road markets.

Regarding the Mainland market, InvestHK has been partnering with the Ministry of Commerce of the Central People's Government and other relevant local authorities such as provincial or municipal bureau of commerce as well as local industrial and commercial organisations to conduct investment promotion seminars in the Mainland, with a view to introducing to the business sector the competitive edges of Hong Kong. In 2019, these seminars were held in various Mainland cities, including Changchun, Changsha, Chengdu, Chongqing, Hangzhou, Hohhot, Jinan, Kunming, Nanjing, Wuhan, Xiamen, Xi'an and Zhengzhou. We also partnered with the Hong Kong Trade Development Council and other organisations, such as the China Overseas Development Association, to participate in major trade fairs and conferences held in the Mainland, such as the China International Fair for Investment and Trade in Xiamen. Furthermore, InvestHK organised a study mission in Hong Kong for Mainland enterprises and conducted briefing sessions for 15 incoming Mainland delegations on Hong Kong's investment environment.

With the establishment of its Investment Promotion Unit in Jakarta in 2018 and the one in Bangkok in late 2019, InvestHK is strengthening its investment promotion effort in the ASEAN market.

To better seize the business opportunities arising from the Belt and Road Initiative and the Greater Bay Area development, in 2020-21, InvestHK will continue its efforts in reaching out to potential companies through marketing campaigns, seminars and investment promotion visits. We are planning to organise investment promotion visits and activities in both overseas markets and major Mainland cities, and will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global.

The total estimated expenditure for InvestHK on investment promotion work in 2020-21 is \$52 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)255

(Question Serial No. 2747)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. the number of meetings conducted with target companies in the past 3 financial years (set out in table form by key geographical region);
2. the costs incurred by the Hong Kong Government for the joint promotion seminars conducted with the Guangdong Province and Macao in Tokyo, and its percentage out of the total costs incurred by such seminars; the criteria adopted by the Government for cost sharing with the governments of the two places;
3. all promotions conducted in major Mainland cities such as Changchun, Changsha, Chengdu, Chongqing, Hangzhou, Hohhot, Jinan, Kunming, Nanjing, Wuhan, Xiamen, Xian and Zhengzhou in the past 3 financial years, setting out in table form these promotions by theme, number of people approached, number of companies approached, capital attracted and the expenses incurred;
4. the reasons for the drop of the percentage share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia since 2016, setting out in table form the amounts of direct investment inflow and their percentages between 2016 and 2019 by South, East and South-East Asian country/region;
5. investment promotion efforts for each of the 4 priority sectors in the past 3 financial years, setting out in table form these efforts by date, venue, theme, number of people approached, number of companies approached, amount of capital attracted, number of jobs created for Hong Kong and the expenses incurred;
6. the dates, venues, themes, number of people approached, number of companies approached, amounts of capital attracted, number of jobs created for Hong Kong and the expenses incurred for all StartmeupHK programmes in the past 3 financial years in table form;

7. the efforts on promoting Hong Kong as a family office and private wealth management hub in the past 3 financial years, setting out in table form these efforts by date, venue, theme, number of people approached, number of families approached, number of family offices set up in Hong Kong, amount of capital for private wealth management attracted, number of jobs created for Hong Kong and the expenses incurred;
8. all the joint overseas marketing activities conducted in partnership with Greater Bay Area cities in the past 3 financial years, setting out in table form these activities by date, venue, form, number of participants, theme, number of exhibitors, expenses of the Hong Kong Government and its share out of the total, and the total expenses incurred; and
9. the post titles, salaries, job duties, immediate supervisors and subordinates as well as the posts of subordinates of the 2 posts to be created in 2020-2021.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 27)

Reply:

The breakdown of the number of meetings conducted by Invest Hong Kong (“InvestHK”) with target companies in the past three years by key geographical region is as follows :

Geographical Region	Number of meetings with target companies		
	2017	2018	2019
Asia Pacific	4 189	3 900	3 921
Europe	1 767	1 737	1 721
North America	1 040	976	964
Others	945	899	963
Grand Total	7 941	7 512	7 569

Regarding the investment promotion symposium on the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) development jointly organised by the Governments of the Guangdong Province, Hong Kong Special Administrative Region and Macao Special Administrative Region in Tokyo in 2019, the three parties shared the expenses on an equal basis. The amount shared by InvestHK was around \$1.89 million, which was one-third of the total cost incurred.

InvestHK has been partnering with the Ministry of Commerce of the Central People’s Government and relevant local authorities such as provincial or municipal bureaux of commerce as well as local industrial and commercial organisations to conduct investment promotion seminars and roundtable meetings in the Mainland. Through these promotion activities, InvestHK introduced to the Mainland business sector the competitive edges of Hong Kong, how Mainland enterprises can leverage Hong Kong as a platform to “go global”, and Hong Kong’s role in taking forward the Belt and Road Initiative and Greater Bay Area development. Details of the promotion events conducted in major Mainland cities and the number of completed projects from the Mainland in the past three years are as follows :

Year	No. of events	Mainland Cities involved	No. of participants	No. of completed projects from the Mainland
2017	8	Beijing, Changshai, Chengdu, Jinan, Shenyang, Taiyuan and Xiamen.	Over 1100	86
2018	16	Beijing, Chengdu, Chongqing, Fuzhou, Guangzhou, Hefei, Nanjing, Shanghai, Urumqi, Wuhan, Xiamen and Zhengzhou	Over 1300	101
2019	13	Changchun, Changsha, Chengdu, Chongqing, Hangzhou, Hohhot, Jinan, Kuming, Nanjing, Wuhan, Xiamen and Xian	Over 1000	120

The amount of foreign direct investment (“FDI”) inflow into each of the top five economies in the South, East and Southeast Asia region and their respective proportion are tabulated below :

Top five economies	2016		2017		2018	
	FDI Inflow (US\$ million)	Proportion (out of regional total)	FDI Inflow (US\$ million)	Proportion (out of regional total)	FDI Inflow (US\$ million)	Proportion (out of regional total)
Mainland China	133,710	30.3%	134,063	28.9%	139,043	28.8%
Hong Kong	117,391	26.6%	110,674	23.8%	104,239	21.6%
Singapore	73,863	16.7%	75,723	16.3%	77,646	16.1%
India	44,481	10.1%	39,904	8.6%	42,286	8.8%
Indonesia	3,921	0.9%	20,579	4.4%	21,980	4.6%

Sources: (1) Survey of External Claims, Liabilities and Income, Census and Statistics Department, HKSAR

(for Hong Kong)

(2) World Investment Report 2019, UNCTAD (for the region and other economies)

As seen from the above, in 2016 to 2018, a decreasing trend in the proportion of FDI inflow is observed among all five economies, except Indonesia.

InvestHK adopts a sector-focused approach in attracting foreign companies in priority sectors and industries where Hong Kong has a clear competitive edge through its global network of Investment Promotion Units and overseas consultants. Specific target sectors include financial services, transport and logistics, innovation and technology as well as creative industries. The number of sector-focused events organised or sponsored by InvestHK for the four priority sectors and the number of completed projects from these sectors in the past three years are as follows :

Specific target sectors		Financial Services	Transport and Logistics	Innovation and Technology	Creative Industries
2017	No. of event organised	0	5	3	1
	No. of event sponsored	3	16	9	10
	No. of completed projects	41	32	53	40
2018	No. of event organised	1	2	6	1
	No. of event sponsored	7	31	8	7
	No. of completed projects	52	37	55	42
2019	No. of event organised	0	0	2	1
	No. of event sponsored	7	30	12	5
	No. of completed projects	51	44	60	44

To showcase the vibrant environment of Hong Kong as a leading hub for startups and to attract startups to Hong Kong, InvestHK has been organising the annual StartmeupHK Festival in Hong Kong since 2016. Details of the events conducted and the number of startup-related completed projects in the past three years are as follows :

Year	StartmeupHK Festival		No. of startup-related completed projects
	Date	No. of participants	
2017	16-19 Jan	Around 5 200	47
2018	29 Jan - 2 Feb	Around 6 500	54
2019	21-25 Jan	Around 17 900	70

In the past three years, InvestHK actively promoted Hong Kong as the private wealth management hub of Asia, as well as a gateway for foreign financial companies to gain access to the Mainland market and for Mainland financial companies to scale globally. Investment promotion visits were conducted in major cities such as Amsterdam, Guangzhou, London, Seoul, Shanghai and Shenzhen. InvestHK also participated in flagship financial events held in Hong Kong, such as the Asia Financial Forum, Asia Insurance Forum, HKIB Annual Banking Conference, HKVCA China Private Equity Forum, PwC Asset and the Wealth Management Conference, to reach out to target segments and industry players.

In 2019, InvestHK stepped up its efforts to attract high net worth individuals and financial companies to set up family offices in Hong Kong, for example, it worked closely with the Hong Kong Monetary Authority (“HKMA”) and the Financial Services Development Council to develop a micro-website and dedicated pitchbook, providing an overview of Hong Kong as a family office hub and introducing InvestHK’s one-stop services.

InvestHK also engaged actively with the Private Wealth Management Association and the Association of Family Offices in Asia by participating in their major events, such as the Family Office Exchange Forum in Shenzhen to introduce its support services in 2019. We also co-organised the Family Office Solution Seminar with HKMA in early 2020.

The number of private wealth management companies or family offices established in Hong Kong in the past three years with the assistance of InvestHK is as follows :

Year	No. of private wealth management companies or family offices set up in Hong Kong with the assistance of InvestHK
2017	12
2018	13
2019	13

In close collaboration with its counterparts in the Guangdong Province and Macao, InvestHK conducted symposiums and seminars on the Greater Bay Area development in the past three years. Details are as follows :

Date	Place	No. of Participants
27 Nov 2017	Mexico City, Mexico	Around 110
29 Nov 2017	Toronto, Canada	Around 150
1 Dec 2017	Seattle, the United States	Around 200
20 Jun 2018	Paris, France	Around 400
9 Apr 2019	Tokyo, Hong Kong	Around 1 100

The post title, monthly salary, major job duties and the line of command of the two civil service posts to be created in 2020-21 are as follows :

Post title	Monthly salary*	Job duties	Supervisor	No. of subordinates with direct supervision
Trade Officer	93,710	To assist in organising investment promotion events	Investors Relations Officer	-
Supplies Officer	64,270	To assist in managing the procurement and supplies matters	Senior Executive Officer	-

*Mid-point salary applicable to 2020-21

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)256

(Question Serial No. 2918)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong (InvestHK) is responsible for attracting and retaining foreign direct investment. It places emphasis on attracting companies in priority sectors with the potential to contribute to Hong Kong's economic development, and encouraging multinational companies to locate their global or regional headquarters and other strategic functions in Hong Kong.

In this connection, please advise this Committee of:

- (1) the details of foreign direct investment leaving Hong Kong and multinational companies relocating their regional headquarters elsewhere in 2019-20 in view of the social incidents and economic prospects of Hong Kong, as well as the details and effectiveness of the Government's efforts in retaining foreign direct investment; and
- (2) regarding the companies in the priority sectors (in particular financial services, transport and logistics, innovation and technology as well as creative industries sectors) with the potential to contribute to Hong Kong's economic development which InvestHK emphasises on attracting, the identification criteria, the details of the incentives offered to the companies concerned, the number of such companies operating in Hong Kong, and their contribution to the growth and diversification of Hong Kong's economy.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 40)

Reply:

Investment decisions of companies are affected by a host of macro- and micro-economic factors, as well as considerations which are unique to the companies themselves. Rarely would just one or two factors drive an investment decision.

To gauge the number of overseas and Mainland companies in Hong Kong, Invest Hong Kong (“InvestHK”) and the Census and Statistics Department conduct the Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong. According to the latest survey conducted in June 2019, there were 1 541 regional headquarters in Hong Kong with parent companies located outside Hong Kong, an increase over 2018 (1 530 regional headquarters). The survey also found a record number of 9 040 overseas and Mainland companies in Hong Kong, which all together employed some 493 000 persons.

Nevertheless, the social incidents in Hong Kong in the later part of 2019, and more recently the COVID-19 outbreak, have affected investment sentiment. Some investors have put their investment plans on hold, whilst some see new opportunities arising from challenging times.

To respond to the challenging environment, InvestHK has stepped up aftercare efforts to support existing overseas and Mainland companies in Hong Kong and their parent companies, and is keeping in close contact with prospective investors. To restore the confidence of international investors in Hong Kong, InvestHK will continue to promote the unique strengths and advantages of Hong Kong as well as the long-term business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

Through its global network of Investment Promotion Units and overseas consultants, InvestHK focuses on attracting companies in priority sectors where Hong Kong has a clear competitive edge, including financial services, transport and logistics, innovation and technology and creative industries sectors. We proactively identify companies in these sectors using criteria such as a company’s market positioning or reputation, whether it is in growth or expansion mode, and its interest in Asia, etc. A wide variety of data sources and networks underpin this process.

The Government has offered various incentives in recent years to boost the development of priority sectors, for instance by introducing profits tax rate reduction of 50% for specified treasury activities, tax concession for qualifying aircraft lessors, enhanced tax deduction for qualified research and development expenditure, setting up a \$3 billion Research Matching Grant Scheme and injecting \$10 billion into the Innovation and Technology Fund. In the process of attracting prospective investors, and also as part of our aftercare efforts, InvestHK appraises the companies concerned of relevant funding schemes, incentives and other support from the Government and relevant organisations like the Hong Kong Science and Technology Parks Corporation, Cyberport, Hong Kong Productivity Council and research institutes.

In 2019, InvestHK completed a record number of 487 projects, including 51 projects from financial services, 44 from transport and logistics, 60 from innovation and technology, 46 from information and communications technology and 44 from creative industries. Together, the 487 projects involved direct investment of more than \$52.3 billion, creating some 6 000 jobs within the first year of operation or expansion.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)257

(Question Serial No. 6073)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that Invest Hong Kong (InvestHK) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that InvestHK obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that InvestHK obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that InvestHK obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that InvestHK obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that InvestHK obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

- g. Please set out the quantity, value, stock and consumption of goggles that InvestHK obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Consumption

- h. Did InvestHK supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

- i. If InvestHK is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 162)

Reply:

In the past three years, Invest Hong Kong (“InvestHK”) obtained from the Government Logistics Department (“GLD”) surgical masks produced by the Correctional Services Department. We also procured surgical masks from the market for staff use, but we have not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (“PPE”) around the world, the Government’s procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

InvestHK did not supply or sell any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)258

(Question Serial No. 3618)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding attracting startups to set up business in Hong Kong, will the Government advise this Committee of:

- (a) the expenditure and projects involved for encouraging and attracting global startups to set up business in Hong Kong in the past 3 years;
- (b) the number of overseas startups set up business in Hong Kong and the number of those assisted by Invest Hong Kong (InvestHK) in each of the past 3 years in table form;
- (c) regarding the figures in (b), the number and percentage of startups operating in Hong Kong for over 2 years and 3 years respectively;
- (d) regarding the figures in (b), the number and percentage of startups operating in Hong Kong, with the assistance of InvestHK, for over 2 years and 3 years respectively; and
- (e) whether InvestHK has information showing the difficulties faced by overseas startups when setting up business in Hong Kong; if yes, the details and follow-up actions of InvestHK.

Asked by: Hon MOK Charles Peter (LegCo internal reference no.: 136)

Reply:

Invest Hong Kong (“InvestHK”) launched the StartmeupHK programme in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses. A dedicated team was established in September 2014 to implement the StartmeupHK programme.

The annual StartmeupHK Festival (“the Festival”) has been organised by InvestHK since 2016. Due to the COVID-19 outbreak, the Festival, originally scheduled for February 2020 has been postponed to July 2020. During the Festival, InvestHK, in collaboration with experts from different domains, will roll out a series of activities, including keynote speeches, panel discussions, exhibition areas, career fair, investor workshops, one-to-one business matching meetings, startup and student pitches, and an open innovation forum, covering themes such as smart city, smart living, retail technology, artificial intelligence, and co-innovation for startups and corporates. In 2019, the Festival attracted over 17 000 delegates.

Apart from hosting major events, InvestHK also actively reaches out to startup communities in other places through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs and working in conjunction with HKSAR Government’s Offices in the Mainland and its overseas Economic and Trade Offices and organisations such as Cyberport, Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major startup hub.

The actual expenditure for conducting the related investment promotion activities was \$5.9 million in 2017-18 and \$7.4 million in 2018-19. The estimated expenditure for 2019-20 is around \$10.9 million. These figures do not include staff cost, administrative overhead expenses and general marketing and promotion expenses which cannot be quantified separately.

To track the growth of the startup ecosystem, InvestHK has been conducting an annual survey since 2014 with operators of co-work spaces, incubators and accelerators in Hong Kong. The number of startups recorded in the surveys and the number of startups that InvestHK has assisted are as follow –

Year	No. of Startups recorded in the surveys (including those with foreign and/or local founders)	No. of Startups assisted by InvestHK
2017	2 229	47
2018	2 625	53
2019	3 184	70

The above survey does not have a breakdown of the operating years of the startups. Nevertheless, for the 100 startups assisted by InvestHK in 2017 and 2018, we had made aftercare contacts with 66 of them in 2019, of which 58 (i.e. 88%) were still in operation.

Startups often seek advice on business registration, visa application, hiring of staff, Government funding, opening of bank accounts, connecting to the startup ecosystem and introduction to investors. To assist them in setting up their operation in Hong Kong, InvestHK provides a wide range of services including provision of relevant information and links to relevant websites, guidance on visa application, signposting them to relevant Government funding schemes, providing bank contacts and introducing them to ecosystem stakeholders, etc.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)259****(Question Serial No. 1020)**

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please inform this Committee of the following:

1. the expenditures for organising the StartmeupHK Festival in the past 3 years;
2. the additional expenditure incurred due to the postponement of StartmeupHK Festival 2020;
3. regarding “to conduct joint overseas marketing activities in partnership with Greater Bay Area cities”, please tabulate as follows, based on the information of 2019:

Date	Name of marketing activity	Place of activity	Partner Greater Bay Area city	Total expenditure	Expenditure of HK side

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 65)

Reply:

To showcase the vibrant environment of Hong Kong as a leading hub for startups, the annual StartmeupHK Festival (“the Festival”) has been organised by Invest Hong Kong (“InvestHK”) since 2016. The expenditure for organising the Festival in 2017, 2018 and 2019 were around \$2.9 million, \$3.1 million and \$4.5 million respectively.

The Festival originally scheduled for February 2020 has been postponed to July 2020 due to the COVID-19 outbreak. Additional expenditure incurred due to the postponement is estimated to be around \$1.2 million.

The joint overseas marketing activities conducted by InvestHK in partnership with Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”) cities in 2019 is tabulated below –

Date	Name of marketing activity	Place of activity	Partner Greater Bay Area city	Total expenditure (\$ million)	Expenditure of HK side (\$ million)
9 April 2019	Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area	Tokyo, Japan	Guangdong Province and the Macao Special Administrative Region	5.65	1.88

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)260

(Question Serial No. 6544)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the expenditure on visits outside Hong Kong by Invest Hong Kong in the 2019-20 financial year, please provide information in the table below:

Date	Country/region visited	Number/rank of officers participating in the visit	Average expenditure of an officer	Total expenditure

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 36)

Reply:

In 2019-20, the expenditure incurred by Invest Hong Kong on duty visits is as follow:

Date	Visiting countries/region	No. / rank of staff involved	Average expenditure per person	Total expenditure
2019-20 (up to 29.2.2020)	<ul style="list-style-type: none"> • Asia (including India, Indonesia, Japan, Korea, Mainland China, Malaysia, Singapore and Thailand) • Europe (including the Baltics, Finland, 	Duty visits were primarily conducted by officers at the Directorate or Investor Relations Officer level. Usually	Depending on the length and number of destinations involved, the average expenses per person for:	\$2.6 million

Date	Visiting countries/region	No. / rank of staff involved	Average expenditure per person	Total expenditure
	France, Germany, Luxembourg, Moscow, Netherlands, Norway, Spain, Sweden and the United Kingdom) <ul style="list-style-type: none"> • Middle East (including Doha, Israel, Kuwait and Turkey) • North America (including Canada and the United States) • Oceania (including Australia and New Zealand) • South America (including Brazil, Chile and Peru) 	one person, at most two, went on each visit.	(i) a short-haul trip to Mainland China / other destinations in Asia : \$17,500 (ii) a long-haul trip to Europe; Middle East North/ South America; or Oceania: \$75,600	

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)261

(Question Serial No. 0919)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of the aircraft leasing regime of Hong Kong and Hong Kong as an international maritime centre, please advise on the specific promotional measures, the estimated expenditure, as well as the details and achievements of the relevant work in 2019.

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 39)

Reply:

Since the introduction of the dedicated tax regime for aircraft leasing in 2017, Invest Hong Kong (“InvestHK”), in close collaboration with the Transport and Housing Bureau (“THB”) and industry associations such as the Hong Kong Aircraft Leasing and Aviation Finance Association, has been promoting the business opportunities to Mainland enterprises and overseas companies through organising events and conducting one-to-one engagement.

In 2019, InvestHK sponsored, attended and spoke at leading aircraft leasing and aviation finance events such as Ishka Aviation Finance Festival held in London, Dublin, and New York in April, June and October respectively, and Airfinance Journal China held in Shanghai in June. To showcase Hong Kong’s depth of aircraft leasing expertise, we invited local industry players to share their experience and views of the Hong Kong market at the Airfinance Journal Asia Pacific conference held in Hong Kong in October.

This aircraft leasing tax regime has been well-received by the industry and has attracted around ten new aircraft lessors from around the world to Hong Kong over the last year. There has also been an increasing number of aircraft leasing professionals, such as lawyers and accountants, coming to Hong Kong to tap into the growing industry.

A dedicated aircraft leasing mini website, was launched by InvestHK, in collaboration with THB, in end 2019 to provide comprehensive and updated information on the regime.

The expenditure for all the aforementioned activities in 2019-20 was \$364,000. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

On maritime promotion, the dedicated maritime desk in InvestHK has been participating in major international maritime conferences and exhibitions organised locally and overseas. In 2019, we collaborated closely with the Hong Kong Maritime and Port Board (“HKMPB”), Hong Kong Trade Development Council and Hong Kong Shipowners Association (“HKSOA”) to carry out joint promotions in a number of maritime economies, including visits to Guangxi in January, cities in Europe in March and September, and Shanghai in December. Besides, we had also taken part in the visit to Beijing organised by HKSOA in September 2019. In November 2019, InvestHK participated in and supported the 4th edition of Hong Kong Maritime Week organised by HKMPB. The activities attracted about 5,500 participants and received positive support from the industry. Last year, InvestHK also participated in and spoke at 23 events in Europe, Mainland China, South East Asia and the United States. Over the year, we supported 15 maritime companies in setting up or expanding their businesses in Hong Kong.

InvestHK has also been proactively engaging the global maritime industry to raise its awareness of the proposed tax concessions for qualifying ship lessors and qualifying ship leasing managers as well as the proposed tax relief for marine insurance and the underwriting of specialty risks.

The expenditure on the promotion of Hong Kong maritime cluster in 2019-20 was \$4.6 million. The figure does not include staff cost and administrative overhead expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)262

(Question Serial No. 3886)

Head: (168) Hong Kong Observatory

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

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out in tabular form the sighting of an Unidentified Flying Object (UFO) in the 18 districts in Hong Kong recorded by the Hong Kong Observatory in the past 5 years. Which district and which time slot have recorded the highest number of UFO sightings?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 188)

Reply:

The Hong Kong Observatory received a total of 79 reports of Unidentified Flying Object (UFO) from members of the public from 2015 to 2019. The breakdown of reports each year by districts is shown in Annex A, and the breakdown by time slots is shown in Annex B. Sai Kung is the district with the highest number of UFO sightings (i.e. 9 reports of such sightings). The time slot from 6:00 p.m. to 7:59 p.m. has the highest number of UFO sightings (i.e. 19 reports of such sightings).

Number of sightings of Unidentified Flying Object (UFO) by members of the public
from 2015 to 2019 by districts

District	Calendar year					Sub-total of each district in 2015-2019
	2015	2016	2017	2018	2019	
Hong Kong Island – Eastern	1	1	-	-	-	2
Hong Kong Island – Wan Chai	-	1	1	-	1	3
Hong Kong Island – Central and Western	2	1	-	2	1	6
Hong Kong Island –Southern	-	1	1	-	1	3
Kowloon East – Kwun Tong	-	-	-	2	-	2
Kowloon East – Wong Tai Sin	-	-	-	-	1	1
Kowloon West – Yau Tsim Mong	-	2	-	-	-	2
Kowloon West – Kowloon City	1	-	-	2	-	3
Kowloon West – Sham Shui Po	1	-	1	1	-	3
New Territories East – Sai Kung	-	3	2	4	-	9
New Territories East – Sha Tin	1	-	-	2	1	4
New Territories East – Tai Po	-	-	1	-	1	2
New Territories East – North	-	1	2	1	-	4
New Territories West – Kwai Tsing	3	-	1	-	-	4
New Territories West – Tsuen Wan	-	-	3	3	-	6
New Territories West – Tuen Mun	-	1	-	2	-	3
New Territories West – Yuen Long	1	1	1	2	1	6
New Territories West – Islands	-	3	-	1	1	5
Others (District not mentioned in report)	-	4	1	2	4	11
Sub-total of all districts each year	10	19	14	24	12	-
Total	79					

Number of sightings of Unidentified Flying Object (UFO) by members of the public
from 2015 to 2019 by time slots

Time Slot	Calendar year					Sub-total of each time slot in 2015-2019
	2015	2016	2017	2018	2019	
00:00 - 01:59	1	-	-	-	-	1
02:00 - 03:59	-	2	-	-	-	2
04:00 - 05:59	-	-	-	-	3	3
06:00 - 07:59	1	-	1	1	1	4
08:00 - 09:59	1	-	2	1	-	4
10:00 - 11:59	-	1	-	-	-	1
12:00 - 13:59	1	-	-	-	-	1
14:00 - 15:59	-	2	-	1	1	4
16:00 - 17:59	2	1	2	6	1	12
18:00 - 19:59	1	8	5	4	1	19
20:00 - 21:59	3	1	-	2	2	8
22:00 - 23:59	-	-	1	5	1	7
Others (time not mentioned in report)	-	4	3	4	2	13
Sub-total of all time slots each year	10	19	14	24	12	-
Total	79					

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)263

(Question Serial No. 1061)

Head: (168) Hong Kong Observatory

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

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Against the backdrop of global warming, the warming trend in Hong Kong has been exacerbated by local urbanisation. In this connection, has the Hong Kong Observatory (HKO) set aside resources for additional manpower to enhance, by way of different approaches and activities, public understanding of the necessary adaptation and resilience measures in combating the impacts of climate change?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 27)

Reply:

The Hong Kong Observatory (HKO) is committed to promoting public understanding of the mitigation, adaptation and resilience-building measures required in combating climate change impacts. HKO will continue to convey relevant messages to the public through various channels in future. These include public talks, social media posts, "Cool Met Stuff" public educational video clips, websites, and television and radio programmes, etc. The aforementioned work is part of HKO's day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amounts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)264

(Question Serial No. 4235)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the expenditure of the Community Weather Information Network (Co-WIN) in 2019-20 as well as the objectives and specific estimates for promoting Co-WIN in 2020-21.

Please list the details of the initiative of the Hong Kong Observatory to deliver weather services through social networking platforms, and the estimated expenditure involved in 2020-21.

Please state the details of the Observatory's enhancement of media weather services and the estimated expenditure involved in 2020-21.

Please provide the total number of downloads of the mobile application "MyObservatory" since its launch. Please provide the expenditure for the Observatory's regular updating of its mobile application "MyObservatory" in 2020-21.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 201)

Reply:

The Community Weather Information Network (Co-WIN) is a public education initiative taken by the Hong Kong Observatory (HKO) in collaboration with the Hong Kong Polytechnic University and the Chinese University of Hong Kong. Members of the network share weather observation data through an internet platform for real-time public dissemination. In 2020-21, Co-WIN will continue to organise "Weather Observation Investigative Study and Weather Photos Competition" to encourage students to undertake first-hand weather observations, so as to enhance their knowledge of weather and climate.

In 2020-21, HKO will continue to make use of its Facebook page to enhance public awareness of weather and climate issues and promote understanding of various geophysical phenomena and HKO's services through text, photos and videos. The Instagram platform

will continue to focus on the sharing of photos and videos, especially on weather and atmospheric optical phenomena of interest to the public, meteorological instruments and other relevant information. Furthermore, HKO will also continue to utilise various social media platforms including YouTube, Twitter, Sino Weibo and WeChat to provide weather services (including weather programmes, weather reports, warnings of hazardous weather and earthquake messages), as well as to promote weather observation and meteorological education.

In 2020-21, HKO will continue to provide the media with its self-produced television weather programmes and “Cool Met Stuff” public educational video clips. HKO will also continue to produce public educational video clips on extreme weather and climate change to further enhance public awareness of disaster prevention.

The total number of downloads of “MyObservatory” mobile app from its launch to end-February 2020 is about 8.2 million. HKO will update the mobile app from time to time.

The provision of weather services (including the related public education) through the various channels above is part of HKO’s day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amounts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)265

(Question Serial No. 4237)

Head: (168) Hong Kong Observatory

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

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the number of talks on climate change expected to be organised by the Hong Kong Observatory and the estimated expenditure involved in 2020-2021.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 203)

Reply:

In 2020-21, the Hong Kong Observatory (HKO) plans to organise around 40 talks on climate change. These activities are part of HKO's day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amount separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)266

(Question Serial No. 4876)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, will the Administration advise this Committee on the following:

- 1) Concerning the requests for information under the Code on Access to Information received by the Hong Kong Observatory from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision to withhold some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision to withhold some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision to withhold some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision to withhold some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision to withhold some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision to withhold some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

- 2) Concerning the requests for information under the Code on Access to Information received by the Hong Kong Observatory from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision to withhold the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision to withhold the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision to withhold the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision to withhold the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision to withhold the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision to withhold the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

- 3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

- 4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of the Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Among the requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information in the past 5 years, please state in table form the number of those on which the Privacy Commissioner for Personal Data was consulted when they were being processed. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 444)

Reply:

During the period from October 2018 to September 2019, the Hong Kong Observatory (HKO) did not receive any request for which only part of the required information was provided or the required information was not provided under the Code on Access to Information (the Code).

During the period from 2015 to September 2019, no review case was received by HKO.

During the period from 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from the date of receipt of a request were 22, 2 and 3 respectively. During the period, there was 1 request for which the information requested could not be provided since the request had to be transferred to another department which held the information under request; and 1 application in which the applicant indicated that he or she did not wish to proceed and withdrew the application since he or she did not accept the charge.

During the period from 2016 to September 2019, the main reason for not providing the information requested within 21 days from the date of receipt was that longer time was required to prepare the information which was complex and detailed.

During the period from 2016 to September 2019, there was no case where the information could not be provided within 51 days from the date of receipt of a request.

During the period from 2016 to September 2019, HKO did not receive any case where the information requested was refused in accordance with the exemption provisions in Part 2 of the Code.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)267

(Question Serial No. 0710)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (Dr CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Cold Weather Warning, please advise on the respective figures on Cold Weather Warnings issued by the Hong Kong Observatory (HKO) in the past 3 years (2017-18 to 2019-20), and the figures on those involving reported death of or damage to vegetables and fish. Please also provide the respective dates of warnings issued and reports received.

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 50)

Reply:

The number and dates of Cold Weather Warnings issued by the Hong Kong Observatory in the past three years (2017-18 to 2019-20) are as follows:

	Number of Cold Weather Warnings issued and relevant dates	Number of times involving reported loss of crops or death of fish [#]	Dates of report [#]
2017-18	5 (16 to 21 December 2017) (8 to 14 January 2018) (28 January to 8 February 2018) (10 to 13 February 2018) (8 to 9 March 2018)	Crops : 0 Fish : 3	5 February 2018 6 February 2018 14 February 2018
2018-19	1 (28 December 2018 to 2 January 2019)	Crops : 0 Fish : 0	-

	Number of Cold Weather Warnings issued and relevant dates	Number of times involving reported loss of crops or death of fish [#]	Dates of report [#]
2019-20 (up to end of February)	3 (4 to 8 December 2019) (26 January to 1 February 2020) (15 to 19 February 2020)	Crops : 0 Fish : 0	-

[#] Figures provided by the Agriculture, Fisheries and Conservation Department.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)268

(Question Serial No. 3444)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In the past 3 years, how many school visits were received by the Hong Kong Observatory (HKO) and how many outreach activities were arranged for schools? Please use the table below to provide information.

Year	Number of school visits received				Number of outreach activities for schools			
	Kindergarten	Primary School	Secondary School	Special School	Kindergarten	Primary School	Secondary School	Special School
2018								
2017								
2016								

2. How many requests for school visits did HKO receive in each of the past 3 years? If there were cases when such requests were rejected, what was the common reason?

3. How many requests did HKO receive in each of the past 3 years for arranging outreach activities for schools? If there were cases when such requests were rejected, what was the common reason?

Asked by: Hon IP Kin-yuen (LegCo internal reference no.: 195)

Reply:

The Hong Kong Observatory (HKO) received 169 school visits and arranged 81 outreach activities for schools in the past 3 years (2017-2019). Details are as follows:

Year	Number of school visits				Number of outreach activities for schools			
	Kindergarten	Primary School	Secondary School	Special School	Kindergarten	Primary School	Secondary School	Special School
2019	9	17	26	1	0	11	22	1
2018	5	18	28	4	0	9	17	1
2017	11	19	30	1	0	14	6	0

From 2017 to 2019, HKO received applications for visits from 123, 86 and 134 schools (including kindergartens, primary schools, secondary schools and special schools) respectively. Due to site limitations, HKO arranged visits for schools selected by way of drawing lots.

HKO received 81 requests for arranging outreach activities for schools from 2017 to 2019. All such requests were accepted.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)269

(Question Serial No. 6066)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of the Hong Kong Observatory (Dr. CHENG Cho-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Hong Kong Observatory (HKO) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that the HKO obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that the HKO obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that the HKO obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that the HKO obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that the HKO obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields

- g. Please set out the quantity, value, stock and consumption of goggles that the HKO obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles

- h. Did the HKO supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits	Value

- i. If the HKO is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 155)

Reply:

In the past three years, the Hong Kong Observatory (HKO) obtained surgical masks produced by the Correctional Services Department and N95 masks from the Government Logistics Department (GLD). HKO also procured surgical masks from the market for staff use, but has not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (PPE) around the world, the Government's procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

HKO did not supply or sell any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)270

(Question Serial No. 0978)

Head: (181) Trade and Industry Department
Subhead (No. & title): (000) Operational expenses
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate under Programme (3) Support for Small and Medium Enterprises and Industries of the Trade and Industry Department (TID) is \$1.3342 billion.

1. In Matters Requiring Special Attention in 2020-21, it is mentioned that TID would enhance promotion and outreach to SMEs to provide support services on funding applications. How much manpower and expenditure will be allocated in total for the relevant promotion work?

2. TID indicates that it will, in the coming year, closely monitor the global and domestic economic environment and the impact of any changes in the environment on Hong Kong enterprises, in particular SMEs, and consider implementing measures to enhance the various government funding schemes supporting Hong Kong enterprises as appropriate. Owing to the impact of the recent epidemic and the nosedive of the domestic economic environment, will TID have other specific arrangements in the coming year in addition to the recent Government relief measures in response to the epidemic?

3. The estimate under Programme (3) is \$1.3342 billion, which is 101.1% higher than last year. In the Analysis of Financial and Staffing Provision of the document, it is pointed out that the increase is mainly due to the increased cash flow requirements for funding schemes. Please provide the calculation of the increased cash flow requirements in the increased estimates, and the specific details of the funding schemes.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 4)

Reply:

To strengthen the support services for small and medium enterprises (SMEs), the Government consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of the Trade and Industry Department (TID), the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide “four-in-one” integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point.

TID and the four SMEs centres also organise and participate in many briefing sessions and seminars to reach out to SMEs direct. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish “SME ReachOut”, which has commenced operation in January 2020 to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings. In the coming year, we will continue to step up promotion and reach out to SMEs direct through various channels to provide support services. The manpower and expenditure of the above-mentioned work has been subsumed under the overall estimated establishment and expenditure of TID, and cannot be quantified separately.

In response to the changes in global and local economy, the Government has implemented since August 2019 four rounds of support measures which include amongst others, injection of \$1 billion and \$2 billion into the Export Marketing and Trade and Industrial Organisation Support Fund (EMTSF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) respectively in 2019-20, thereby implementing enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding under the SME Export Marketing Fund (EMF). Together with expansion in the scope for funding business missions in November last year, the EMF has further assisted enterprises in exploring markets. At the same time, the geographical coverage of the BUD Fund has been extended from the Mainland and the ten member states of Association of Southeast Asian Nations (ASEAN) to include other economies which have signed Free Trade Agreements with Hong Kong; the cumulative funding ceiling for each enterprise has been doubled from \$2 million to \$4 million; and the ratio of initial payment has been increased from 25% to up to 75% of the approved government funding, to provide more funding to enterprises directly for exploring markets. The above-mentioned enhancement measures have been launched in January 2020. In 2020-21, we will closely monitor the utilisation of the above-mentioned funding schemes, and consider introducing further enhancement measures in a timely manner taking into account the needs and views of the trade.

The provisions under Programme (3) are for meeting the expenditure of the various funding schemes under TID (including the EMF and the Trade and Industrial Organisation Support Fund under the EMTSF, the BUD Fund, and the SME Loan Guarantee Scheme), and the operational expenses relating to Programme (3)). The annual estimated expenditure of the funding schemes is calculated based on the estimated cash flow requirements for projects approved/ expected to be approved for the year.

Amongst others, the enhancement measures to the EMF and the BUD Fund introduced in August 2018 were well received by the trade. The number of applications received (22 817) and the total amount of grants approved (\$405 million) by the EMF between October 2018 and February 2020 represented an increase of 34% and 68% respectively as compared to the corresponding period in 2017-2019. The number of applications received (2 390) and the total amount of grants approved (\$558.3 million) by the BUD Fund between October 2018 and February 2020 represented an increase of 95% and 123% respectively as compared to the corresponding period in 2017-2019. We expect that the number of applications and the amount of approved grants for the two funding schemes will further increase with the implementation of the new round of enhancement measures since January

2020. Also, the increased ratio of initial payment is expected to increase the cash flow requirements of the approved projects in the year. The relevant expenditure for 2020-21 is therefore expected to be higher than the revised estimate for 2019-20.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)271

(Question Serial No. 4902)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding its work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Trade and Industry Department (TID) from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice

			that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by TID from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of the Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a)

Within 10 days from the date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew their applications since they did not accept the charge

			request		
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from the date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew their applications since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from the date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew their

			department which held the information under request		applications since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from the date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from the date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 472)

Reply:

Among the requests for information under the Code on Access to Information (“the Code”) received by the Trade and Industry Department (“TID”) from October 2018 to September 2019, there were two requests for which only part of the required information was provided and one request which was refused.

On the two cases for which only part of the required information was provided as mentioned above, TID withheld some of the information concerning the Certificates of Origin under the Mainland and Hong Kong Closer Economic Partnership Arrangement and an internal departmental investigation of a case in accordance with paragraph 2.16 “Business Affairs” and paragraph 2.14 “Third party information” of the Code respectively. On the refusal case, TID refused to provide information concerning the import and export record of strategic commodities in accordance with paragraph 2.14 “Third party information” of the Code. The decisions of the above three cases were made by officers at point one or point two of the Directorate Pay Scale after conducting a “harm or prejudice” test which ascertains that the harm or prejudice that could result from disclosure of the information would outweigh the public interest in disclosure of the information.

During the period from 2015 to September 2019, no review cases were received by TID.

During the period from 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from the date of receipt of the requests were nine, two and five respectively, among which there were two refusal cases under the exemption provisions in Part two of the Code, and one case in which the information requested could not be provided since the request had to be transferred to another department which held the required information.

During the period from 2016 to September 2019, the main reasons for not providing the information requested within 21 days from the date of receipt of the requests were that longer handling time was required for applications involving third party information or for seeking legal advice regarding the applications.

During the period from 2016 to September 2019, there were no cases in which information could not be provided by TID within 51 days from the date of receipt of the request.

During the period from 2016 to September 2019, TID did not consult the Privacy Commissioner for Personal Data on cases where requests for information were refused.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)272

(Question Serial No. 6647)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (2) Trade Support and Facilitation
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government advise this Committee of the following:

- (a) Regarding the number of registered rice stockholders and approved rice storage places, what were the manpower and resources deployed by the Trade and Industry Department (TID) to inspect and verify the amount of rice stock? If TID is not responsible for this, please refer this question to the relevant department and state the responsible department, or request the relevant department to provide the information.
- (b) Regarding the number of registered rice stockholder and approved rice storage places, how often are rice stockholders required to report the amount of rice stock to TID? If TID is not responsible for this, please refer this question to the relevant department and state the responsible department, or request the relevant department to provide the information.
- (c) Any person who runs a rice stockholder business can register as a rice stockholder with TID if the business is registered in Hong Kong under the Business Registration Ordinance (Chapter 310, Laws of Hong Kong). What is the penalty for contravention of the requirement? How many rice stockholders have been warned or prosecuted in the past 10 years? What is the amount of the relevant fine?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2040)

Reply:

As at end 2019, there were 230 registered rice stockholders and 123 approved rice storage places.

Registered rice stockholders have to submit a Rice Stockholder's Return to the Trade and Industry Department (TID) every month to report their amount of rice stock in the preceding month.

The Customs and Excise Department (C&ED) is responsible for enforcing the Reserved Commodities Ordinance (Ordinance) and its subsidiary regulations, including inspection/verification of the information declared on import and export licences of rice,

registered rice stockholders and their storage and maintenance of rice stock on importation, as well as investigation of suspected contravention cases.

In 2019-20, a total of 25 officers in the C&ED are responsible for investigating fraud cases in relation to origin, licensing, certification and valuation, as well as conducting reserved commodities inspections and investigating cases in violation of the Ordinance. As the enforcement duties in relation to the Ordinance are part of the many enforcement duties of the relevant personnel, the manpower and resources involved cannot be quantified separately.

In respect of registered rice stockholders, the maximum penalty for contravention of the Ordinance and the number of convictions and the total amount of the relevant fine in 2015-2019 are as follows-

Requirement	Penalty	Number of convicted registered rice stockholders and the amount of fine in 2015-2019
Maintain sufficient amount of rice reserve	Liable to a fine of \$100,000 and imprisonment for 2 years	Registered rice stockholders: 2 Total amount of fine: \$8,000
Keep and submit records of the amount of rice stock, etc.	Liable to a fine of \$50,000 and imprisonment for 1 year	Nil

In the same period, TID issued warning to 73 registered rice stockholders who contravened the relevant registration conditions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)273

(Question Serial No. 0080)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (3) Support for Small and Medium Enterprises and Industries, the Trade and Industry Department administers several funding schemes, including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), the Trade and Industrial Organisation Support Fund (TSF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to assist Hong Kong enterprises in obtaining finance, exploring markets and enhancing their competitiveness. Will the Government please advise the Committee by itemising in details on how these funding schemes were implemented over the past year? What was the amount of expenditure and how many small and medium enterprises (SMEs) were benefited? What sectors were mainly involved? What is the implementation plan for 2020-21? What is the estimated expenditure and how many SMEs would be benefited?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 1)

Reply:

To strengthen the support for small and medium enterprises (SMEs) to explore markets outside Hong Kong, the Trade and Industry Department (TID) has been actively implementing the enhancement measures under the SME Export Marketing Fund (EMF) launched since August 2018. The Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in 2019-20, and has implemented a new round of enhancement measures since January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding. Together with expansion in the scope for funding business missions since November last year, the EMF has strengthened the support for SMEs to meet the challenges of the local and external economic environment. The number of applications received (22 817) and the total amount of grants approved (\$405 million) by the EMF between October 2018 and February 2020 represented an increase of 34% and 68% respectively as compared to the corresponding period in 2017-2019.

At the same time, we have been actively implementing the enhancement measures under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) launched since August 2018, including introducing the Association of Southeast Asian Nations (ASEAN) Programme, providing a cumulative funding up to \$1 million to each enterprise for undertaking projects in ASEAN markets; and doubling the cumulative funding ceiling for each enterprise to \$1 million for undertaking projects on the Mainland. The Government injected \$2 billion into the BUD Fund in 2019-20, and has implemented a new round of enhancement measures since January 2020, including extending the geographical coverage of the BUD Fund from the Mainland and ten member states of ASEAN to include other economies which have signed Free Trade Agreements with Hong Kong; doubling the cumulative funding ceilings for each enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding. The number of applications received (2 390) and the total amount of grants approved (\$558.3 million) by the BUD Fund between October 2018 and February 2020 represented an increase of 95% and 123% respectively as compared to the corresponding period in 2017-2019.

The overall implementation progress of the various funding schemes administered by TID in 2019 is as follows:

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$)	The major beneficiary sectors (listed according to the number of applications approved)
SME Loan Guarantee Scheme (SGS)	656	643	818 million	1. Import and Export Trade 2. Wholesale and Retail 3. Engineering
EMF	11 919	6 801	299 million	1. Import and Export Trade 2. Wholesale and Retail 3. Jewellery
BUD Fund	736	681	429 million	1. Wholesale and Retail 2. Import and Export Trade 3. Information technology
Trade and Industrial Organisation Support Fund (TSF)	33	Not applicable <small>Note</small>	75.1 million	1. Cross-sector 2. Information technology 3. Industrial machinery

Note: The TSF does not provide direct funding support to enterprises but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

In 2020-21, TID will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through the various funding schemes. The total expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion. The Government provides loan guarantee to SMEs under the SGS to help them secure loans from the participating lending institutions. The guarantee approved by the Government is not a grant, thus not counted as expenditure. The expenditure for the implementation of SGS has been subsumed under the overall expenditure of TID and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0088)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (2) Trade Support and Facilitation
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of trade support and facilitation, the matters which the Trade and Industry Department will pay special attention to in 2020-21 include liaising closely with the Mainland authorities and local traders on the Mainland issues of significant impact on business operations, and helping to reflect the trade's concerns to the relevant Mainland authorities. How effective was the related work in 2019-20? On what issues were Mainland authorities liaised with or referred to, particularly on matters affecting small and medium enterprises? What specific work has been carried out? Please advise on the expenditure involved by itemising. How will such work be implemented in the new financial year and what are the specific measures and targets? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 10)

Reply:

The Trade and Industry Department (TID) maintains close liaison with the trade through various channels so as to keep abreast of the trade's concerns and views. TID also maintains close liaison with the Mainland authorities to relay to them the trade's views and to discuss with them support measures for the trade. Among others, in 2019, TID consulted the trade before implementation of the Foreign Investment Law and its implementation regulations on the Mainland, and conveyed the trade's concerns to the Ministry of Commerce.

In addition, from time to time, TID disseminates economic and trade information to the trade by means of circulars to enhance the trade's understanding of the Mainland's latest trade policies, legislation and business environment. In 2019-20, TID issued in total about 700 circulars relating to the Mainland's latest economic and trade policies, including measures by the Mainland authorities in supporting enterprises in light of the Coronavirus Disease 2019 infections, covering measures relating to the tax policies, aspects of labour and social welfare, etc. TID's website also includes a dedicated page on economic and trade information of the Mainland, with about 200 hyperlinks to the economic and trade

websites of Mainland authorities, so as to facilitate Hong Kong enterprises to get access to economic and trade information of the Mainland on a single platform.

In 2020-21, TID will continue to implement the relevant measures to assist Hong Kong enterprises operating on the Mainland.

The expenditure of the above work has been subsumed under the overall expenditure of TID in 2019-20 and the estimated expenditure for the new financial year, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)275

(Question Serial No. 0271)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2020-21, one of the tasks of the Trade and Industry Department (TID) under this programme is to implement programmes to support enterprises, particularly the small and medium enterprises (SMEs), with a view to enhancing their competitiveness. Would the Government please advise this Committee what efforts has TID made in this area over the past year? Please advise on the expenditure involved by itemising in details. How will the Government implement the relevant work in the new 2020-21 financial year? What are the details? What are the specific measures? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 53)

Reply:

The Trade and Industry Department (TID) administers various funding schemes to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

To strengthen the support for small and medium enterprises (SMEs) to explore markets outside Hong Kong, TID has been actively implementing the enhancement measures under the SME Export Marketing Fund (EMF) launched since August 2018. The Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in 2019-20, and has implemented a new round of enhancement measures since January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding. Together with expansion in the scope for funding business missions since November last year, the EMF has strengthened the support for SMEs to meet the challenges from the local and external economic environment. The number of applications received (22 817) and the total amount of grants approved (\$405 million) by the EMF between October 2018 and February 2020

represented an increase of 34% and 68% respectively as compared to the corresponding period in 2017-2019.

At the same time, we have been actively implementing the enhancement measures under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) launched since August 2018, including introducing the Association of Southeast Asian Nations (ASEAN) Programme, providing a cumulative funding up to \$1 million to each enterprise for undertaking projects in ASEAN markets; and doubling the cumulative funding ceiling for each enterprise to \$1 million for undertaking projects on the Mainland. The Government injected \$2 billion into the BUD Fund in 2019-20, and has implemented a new round of enhancement measures since January 2020, including extending the geographical coverage of the BUD Fund from the Mainland and ten member states of ASEAN to include other economies which have signed Free Trade Agreements with Hong Kong; doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding. The number of applications received (2 390) and the total amount of grants approved (\$558.3 million) by the BUD Fund between October 2018 and February 2020 represented an increase of 95% and 123% respectively as compared to the corresponding period in 2017-2019.

The amount of guarantees/grants approved by the various funding schemes administered by TID in 2019 is as follows:

	Amount of guarantees/grants approved by the Government (\$)
SME Loan Guarantee Scheme (SGS)	818 million
EMF	299 million
BUD Fund	429 million
Trade and Industrial Organisation Support Fund (TSF)	75.1 million

In 2020-21, TID will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through various funding schemes. The expenditure for the EMF, the TSF and the BUD Fund is estimated to be \$1.138 billion. The Government provides loan guarantee to SMEs under the SGS to help them secure loans from the participating lending institutions. The guarantee approved by the Government is not a grant, thus not counted as expenditure. The expenditure for the implementation of SGS has been subsumed under the overall expenditure of TID and cannot be quantified separately.

In addition, the Government consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the

necessary information on all funding schemes at any service point. TID and the four SMEs centres also reach out to SMEs direct. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish “SME ReachOut”, which has commenced operation in January 2020 to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings. In the coming year, we will continue to provide support services to SMEs through various channels.

The expenditure of the above-mentioned work has been subsumed under the overall estimated expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)276

(Question Serial No. 0273)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Analysis of Financial and Staffing Provision, the provision for 2020-21 under Programme (3) of the Trade and Industry Department is \$670.6 million (101.1%) higher than the revised estimate for 2019-20. This is mainly due to increased cash flow requirements for funding schemes. 4 posts will be newly created in 2020-21 to strengthen the support for funding schemes. What are the details? What are the major responsibilities of the posts to be created? What is the expenditure of the posts?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 11)

Reply:

In 2020-21, the Trade and Industry Department (TID) administers various funding schemes to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

The Government injected \$1 billion and \$2 billion into the Export Marketing and Trade and Industrial Organisation Support Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) respectively in 2019-20, and has implemented a new round of enhancement measures since January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding under the SME Export Marketing Fund (EMF). Together with expansion in the scope of funding for business missions since November last year, the EMF has further assisted enterprises in exploring markets. At the same time, the geographical coverage of the BUD Fund has been extended from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed Free Trade Agreements with Hong Kong; the cumulative funding ceiling for each enterprise has been doubled from \$2 million to \$4 million; and the ratio of initial payment

has been increased from 25% to up to 75% of the approved government funding, to provide more funding to enterprises directly for exploring markets.

The provisions under Programme (3) are for meeting the expenditure of the various funding schemes under TID and the operational expenses relating to Programme (3). The annual estimated expenditure of the funding schemes is calculated based on the estimated cash flow requirements for projects approved/expected to be approved for the year. We expect that the number of applications and amount of approved grants for the above-mentioned funding schemes will increase with the implementation of the enhancement measures. Also, the increased ratio of initial payment is expected to increase the cash flow requirements of the approved projects in the year. The relevant expenditure for 2020-21 is therefore expected to be higher than the revised estimate for 2019-20.

With regard to posts, TID will have a net increase of 4 civil service posts (including Trade Officer Grade and Clerical Grade) in 2020-21 under Programme (3) to assist in processing applications under the EMF and the BUD Fund to meet the ongoing operational needs. The expenditure of the above-mentioned posts has been subsumed under the overall estimated expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0426)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The aim of the work of the Trade and Industry Department (TID) under this programme is to support and facilitate the development of Hong Kong's small and medium enterprises (SMEs) and industries. Would the Government please advise this Committee of its specific work and resources or expenses on facilitating the development of Hong Kong's industries in the past year? What are the new work plans for facilitating the development of Hong Kong's industries in 2020-21? What is the expenditure involved? Meanwhile, in recent years, a number of manufacturers who have set up factories in the Mainland intend to relocate back to Hong Kong for development, and the trade conflict between the Mainland and the US persists. How will the Government provide support to these SMEs and industries? What are the specific measures? What are the resources to be allocated?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 30)

Reply:

The Trade and Industry Department (TID) supports and facilitates the development of Hong Kong's small and medium enterprises (SMEs) and industries by providing financial support, expanding Hong Kong's free trade agreement (FTA) network, facilitating the trade in applying for Certificate of Hong Kong Origin, maintaining close communication with the trade, and enhancing promotion efforts.

Regarding financial support, TID implements financing and funding schemes to assist the trade in exploring markets and enhancing their competitiveness.

To strengthen the support for the trade to explore markets, the Government injected \$1 billion and \$2 billion into the Export Marketing and Trade and Industrial Organisation Support Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) respectively in 2019-20, and has implemented a new round of enhancement measures since January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial

payment of up to 75 per cent of the approved government funding under the SME Export Marketing Fund (EMF). Together with expansion in the scope of funding for business missions in November last year, the EMF further assisted enterprises in exploring markets. At the same time, the geographical coverage of the BUD Fund has been extended from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed Free Trade Agreements with Hong Kong; the cumulative funding ceiling for each enterprise has been doubled from \$2 million to \$4 million; and the ratio of initial payment has been increased from 25% to up to 75% of the approved government funding to provide more funding to enterprises directly for exploring markets.

To relieve the financing burden of enterprises, TID administers the SME Loan Guarantee Scheme (SGS) to provide loan guarantee to SMEs (including manufacturers interested in relocating their operations back to Hong Kong) to help them secure loans from the participating lending institutions for acquiring business installations and equipment or as general working capital. We introduced a new relief measure in September 2019 where existing and new SME borrowers may apply to their lenders for principal moratorium of up to 6 months which is renewable upon application when needed, subject to a maximum of 12 months in total, during which only interest payments have to be made.

Moreover, TID administers the Trade and Industrial Organisation Support Fund (TSF) which provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The overall implementation progress of the various funding schemes of TID in 2019 is as follows:

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$)
SGS	656	643	818 million
EMF	11 919	6 801	299 million
BUD Fund	736	681	429 million
TSF	33	Not applicable ^{Note}	75.1 million

Note: The TSF does not provide direct funding support to enterprises but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

In 2020-21, TID will continue to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness through various funding schemes. The expenditure for the EMF, the TSF and the BUD Fund in 2020-21 is estimated to be \$1.138 billion. The Government provides loan guarantee to SMEs under the SGS to help them secure loans from the participating lending institutions. The guarantee approved by the Government is not a grant, thus not counted as expenditure. The expenditure for the

implementation of SGS has been subsumed under the overall expenditure of TID and cannot be quantified separately.

The Government actively expands Hong Kong's FTA network in order to secure more favourable conditions, including preferential tariff treatment, for goods of Hong Kong origin to enter the Mainland and international markets. So far, Hong Kong has signed eight FTAs with 20 economies, including the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) signed with the Mainland. TID organises briefings and arranges meetings with different industrial and trade representatives, such as the briefing co-organised with the jewellery sector in December 2019, to introduce the FTAs signed by Hong Kong with other economies. The briefings covered the preferential measures on trade in goods and the rules of origin, so as to facilitate the trade to make good use of the more favourable conditions under FTAs to access markets outside Hong Kong.

TID also from time to time exchanges views with trade representatives on Factory Registration (FR) and Certificate of Origin (CO) services, with a view to providing appropriate facilitating measures to meet the operational needs of the trade. For instance, taking into account the latest manufacturing practice of the trade, we have revised the rules relating to application of CO and Local Subcontracting Arrangement (LSA) to facilitate the trade to apply for CO. There were 765 FRs at the end of 2019, which reflected the enterprises' interest in local production.

TID liaises closely with the trade and business associations, and meet with SMEs to discuss measures in response to issues of their concern. We also tap the trade's views on issues affecting their development and support measures for them through various advisory boards including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee.

The Government consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. TID and the four SMEs centres also reach out to SMEs direct to step up promotion on the funding schemes and introduce other relevant policy support measures, including the opportunities brought by CEPA and other FTAs, as well as relevant arrangements for CO and factory registration, etc. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020 to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

In 2020-21, TID will continue to make use of different channels to provide enterprises including manufacturers with the latest market information and advisory services, as well as the preferential measures under FTAs for goods of Hong Kong origin.

The expenditure of the above-mentioned work has been subsumed under the overall expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)278

(Question Serial No. 6122)

Head: (181) Trade and Industry Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Trade Support and Facilitation, (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme (2), would the Government please advise this Committee of the following:

1. To implement the Kimberley Process Certification Scheme, has the Government publicised the above scheme to the trade and the public? If yes, what were the dates, expenditure and content of the publicity programmes? If no, what were the reasons?

Regarding Programme (3), would the Government please advise this Committee of the following:

2. Please tabulate the attendance of individual members of the Small and Medium Enterprises Committee (SMEC) for all the meetings in the past 3 financial years;

3. Please list the advice given to the Government on all the issues affecting the development of small and medium enterprises in Hong Kong in the past 3 financial years, including the topics, dates, whether the advice was accepted by the Government, and, if no, the reasons for rejection.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 18)

Reply:

The Kimberley Process (KP) is an international consultation forum which aims at stopping trade in “conflict diamonds”. Participating economies cannot trade rough diamonds with non-participants. Hong Kong has implemented the Kimberley Process Certification Scheme (KPCS) since January 2003, requiring rough diamond traders to register with the Trade and Industry Department (TID) and obtain certification for rough diamonds imported and exported. Since the implementation of the KPCS, TID has been liaising closely with the jewellery industry and relevant organisations, and disseminating the latest information on the KPCS to the relevant trade and organisations through meetings, web pages and notices. The estimated expenditure and staffing establishment of the relevant work have been subsumed under the estimated expenditure and staffing establishment of TID, and cannot be quantified separately.

The Small and Medium Enterprises Committee (SMEC) is a non-statutory advisory body. It advises the Government on issues affecting the development of small and medium enterprises (SMEs) in Hong Kong and suggests measures to support and facilitate their development and growth. Members are appointed for a term of two years, from 1 January in a given year until 31 December the next year.

The term of members is based on calendar year. The attendance of members at meetings in the past three calendar years is tabulated below:

	First meeting (Number of members present/Total number of members)	Second meeting (Number of members present/Total number of members)	Third meeting (Number of members present/Total number of members)
2019	17/24	21/24	18/24
2018	21/28	17/28	-
2017	23/28	17/27 ^{Note}	-

Note: A member resigned after the first meeting in 2017. The Government appointed a new member in early 2018.

The SMEC held seven meetings over the past three calendar years to discuss a number of issues relevant to the development of SMEs, including the Free Trade Agreement between Hong Kong and the Association of Southeast Asian Nations, the Mainland and Hong Kong Closer Economic Partnership Arrangement, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the trade conflict between the Mainland and the United States, support measures for SMEs, FinTech, implementation of the Competition Ordinance, legislative work for a statutory corporate rescue procedure, qualifications framework, long-term decarbonisation strategy, etc. Relevant bureaux/departments/organisations attending the meeting would explain the Government's policies relating to SMEs, respond to members' questions and listen to their views, so that the needs of SMEs could be taken into account when formulating policies/measures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)279

(Question Serial No. 0399)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (1) Commercial Relations
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department (TID) is responsible for discussing, in consultation with relevant bureaux, departments and the trade, with the Mainland enrichment of the content of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the implementation of various measures. The Agreement concerning Amendment to the CEPA Agreement on Trade in Services was signed in November 2019 between the Mainland and Hong Kong, and will come into effect in June 2020. In this regard, please advise:

1. The resources and manpower that the Government will deploy in 2020-21 and the major measures to be adopted to strengthen the publicity and implementation of the above amendment agreement;
2. Will the Government consider allocating additional resources to set up a CEPA professional services co-ordination group with Mainland authorities for providing the trade with one-stop enquiry services to expedite the Hong Kong trade to participate and expand in the Mainland market? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 28)

Reply:

In November 2019, Hong Kong and the Mainland signed an agreement (the Amendment Agreement) to amend the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) Agreement on Trade in Services which has been implemented since June 2016. Since then, Trade and Industry Department (TID) proactively liaises with chambers of commerce, professional bodies and industry organisations to introduce the details of the new liberalisation measures to the trade, and plans to organise a CEPA Forum later this year on the Amendment Agreement, with a view to strengthening the trade's understanding of the new liberalisation measures and related implementation arrangements.

TID maintains a dedicated website on CEPA to disseminate relevant information, including the websites of relevant Mainland authorities, relevant regulations and implementation

details of the liberalisation measures, frequently asked questions on various professional services aspects, etc. for the trade's reference. In addition, the trade can enquire about CEPA-related issues or reflect specific cases by phone, email or in writing through TID's one-stop platform. TID will collaborate with the policy bureaux concerned and follow up with the Mainland authorities. To support the liberalisation measures to be implemented in professional services under the Amendment Agreement, we will proactively enhance the functions of the one-stop platform and strengthen the support to professional services with a view to assisting the trade in gaining greater access to the Mainland market.

The estimated expenditure and staffing establishment of the relevant work have been subsumed under the estimated expenditure and staffing establishment of TID in 2020-21, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)280****(Question Serial No. 6091)**Head: (181) Trade and Industry DepartmentSubhead (No. & title): (-) -Programme: (-) -Controlling Officer: Director-General of Trade and Industry (Salina YAN)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Trade and Industry Department (TID) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

b. Please set out the quantity, value, stock and consumption of surgical masks that TID obtained from GLD or self-procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks self-procured (value)	Stock	Consumption

c. Please set out the quantity, value, stock and consumption of N95 masks that TID obtained from GLD or self-procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks self-procured (value)	Stock	Consumption

d. Please set out the quantity, value, stock and consumption of gowns that TID obtained from GLD or self-procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns self-procured (value)	Stock	Consumption

e. Please set out the quantity, value, stock and consumption of protective coverall suits that TID obtained from GLD or self-procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits self-procured (value)	Stock	Consumption

f. Please set out the quantity, value, stock and consumption of face shields that TID obtained from GLD or self-procured each month in the past 3 years in the following table:

Month/Year	No. of face shields self-procured	Value of face shields self-procured	Stock of face shields	Consumption

g. Please set out the quantity, value, stock and consumption of goggles that TID obtained from GLD or self-procured each month in the past 3 years in the following table:

Month/Year	No. of goggles self-procured	Value of goggles self-procured	Stock of goggles	Consumption

h. Did TID supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

i. If TID is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 180)

Reply:

In the past three years, the Trade and Industry Department (“TID”) obtained surgical masks produced by the Correctional Services Department and N95 masks from the Government Logistics Department (“GLD”). We also procured surgical masks from the market for staff use, but we have not compiled records on the distribution of masks from different sources to individual staff.

With upsurge in demand for personal protective equipment (“PPE”) around the world, the Government’s procurement efforts are facing fierce competition. The Government considers it inappropriate at this stage to disclose further detailed information on PPE of individual departments, such as the stock in the past few years and recent months, quantities procured and moneys involved, usage, etc. so as not to undermine the bargaining power of GLD and other departments in the procurement of PPE.

TID did not supply or sell any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)281

(Question Serial No. 0294)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Export Marketing Fund (EMF):

- a) What are the respective number of applications received, number of applications approved and the average amount of grant for each approved project in each of the past 5 years?
- b) In each of the past 5 years, how much manpower and expenditure did the Trade and Industry Department spend on the promotion and effectiveness review of the EMF? In 2020-21, what are the estimated manpower and expenditure involved in the promotion plan for the EMF?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 76)

Reply:

The number of applications received, the number of applications approved and the average amount of grants for applications approved under the SME Export Marketing Fund (EMF) in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of applications received	14 425	11 387	10 895	11 757	16 246
Number of applications approved	12 184	9 614	8 532	9 025	11 919
Average amount of grants for applications approved (\$)	16,800	16,500	15,900	18,500	25,100

In 2019-20, the Government injected \$1 billion into the EMF, and has implemented a number of enhancement measures, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; expanding the scope of funding business missions; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding to assist enterprises in exploring overseas markets.

In addition, the Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of the Trade and Industry Department (TID), the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

In 2020-21, the Government will continue to help enterprises obtain financing, expand markets and enhance their competitiveness through various funding schemes. The Government will also enhance SMEs' understanding of the Government's funding schemes, with a view to encouraging better utilisation of the support provided by the Government through various promotion channels. TID will continue to closely monitor changes in the market as well as the needs of SMEs and review the operation of the EMF through on-going surveys and organising focus groups from time to time, etc. to provide appropriate and timely support to SMEs.

The manpower and expenditure of the above-mentioned work have been subsumed under the overall establishment and estimated expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)282****(Question Serial No. 0295)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Loan Guarantee Scheme (SGS):

- What are the respective number of applications received, number of SME beneficiaries, number and the average amount of defaults for the loans received, as well as the average amount of each guarantee approved in each of the past 5 years?
- In each of the past 5 years, how much manpower and expenditure did the Trade and Industry Department spend on the promotion and effectiveness review of SGS? In 2020-21, what are the promotion plan and estimated expenditure breakdowns for SGS? What is the manpower involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 77)

Reply:

The number of applications received by the SME Loan Guarantee Scheme (SGS), the average amount of guarantee for each application approved and the number of SME beneficiaries in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of applications received	978	787	770	784	702
Average amount of guarantee for applications approved (\$)	1.33 million	1.31 million	1.39 million	1.26 million	1.25 million
Number of SME beneficiaries	861	701	709	693	643

Since the launch of the SGS in 2001 and up to the end of 2019, the default rate was about 1.99%^{Note}. The number of claims lodged by the lending institutions under the SGS and the average amount of claims in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of claims received	97	104	73	50	42
Average amount of claims for claims received (\$'000)	784	677	688	368	693

Note: Default rate is calculated by using the cumulative amount of net default claims minus the amount of proceeds recovered and returned to TID by the participating lending institutions after compensation payments have been made, and then divided by the total amount of guarantee approved.

(b)

The SGS is one of the on-going support measures for SMEs of the Trade and Industry Department (TID). TID reviews from time to time the operation of the SGS and promotes the scheme to SMEs through meetings with SME associations and business chambers, as well as exhibitions, website links, e-mails, etc.

In addition, the Government has consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of TID, the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide "four-in-one" integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish "SME ReachOut", which has commenced operation in January 2020, to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings.

In 2020-21, the Government will continue to help enterprises obtain financing, expand markets and enhance their competitiveness through various funding schemes. The Government will also enhance SMEs' understanding of the Government's funding schemes, with a view to encouraging better utilisation of the support provided by the Government through various promotion channels.

The manpower and expenditure of the above work have been subsumed under the overall establishment and estimated expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)283

(Question Serial No. 0332)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 75 of the Budget Speech that the Government will continue to promote the development of transportation and logistics services, and harness the opportunities brought about by the Belt and Road Initiative and the development of the Greater Bay Area, so as to consolidate Hong Kong's position as an international and regional aviation, maritime and logistics hub. One of the aims of the Trade and Industry Department (TID) is to enhance Hong Kong's role as a regional trading and distribution centre. In this regard, what are the estimated expenditure and manpower involved in the work plan of this area by TID in 2020-21 respectively?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 75)

Reply:

In respect of trade support and facilitation, the Trade and Industry Department ("TID") enhances Hong Kong's role as a regional trading and distribution centre through different work areas, including provision of various licensing and certification services for imports and exports, as well as registration service for transshipment cargo exemption. Upholding the robustness of the regime, we strive to streamline the procedures to facilitate trade and promote the flow of goods. TID also administers various funding schemes to assist enterprises in obtaining finance, exploring markets and enhancing their overall competitiveness. The funding schemes benefit a broad range of industries and sectors. We have from time to time injected funds and implemented enhancement measures to the schemes having regard to the needs and circumstances of the trade.

In addition, Hong Kong continues to participate actively in relevant multilateral and bilateral agreements (including the World Trade Organization Agreement on Trade Facilitation, the Free Trade Agreements (“FTAs”) and Investment Promotion and Protection Agreements signed between Hong Kong and other economies), fulfils the obligations under such agreements, as well as implements and promotes various trade liberalisation and facilitation measures, including the implementation of various market access commitments on transport services under the FTAs.

The manpower and expenditure of the above work have been subsumed under the overall establishment and provision of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)284

(Question Serial No. 0346)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the assistance provided to small and medium enterprises (SMEs), the Government has always emphasised that it will continue to assist Hong Kong enterprises in upgrading and restructuring their operations, developing brands and promoting domestic sales through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) so as to enhance their competitiveness in the Mainland market and other economies with which Hong Kong has signed Free Trade Agreements. Would the Government please advise on the respective numbers of applications that the Fund has received and the number of approved applications so far? What are the amounts of grant approved? What is the average amount of grant approved for each of these projects? What is the estimated number of applications to be received in the coming 5 years? Has the Government followed up those approved cases and assessed their effectiveness so as to continuously enhance the usage of the Fund? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 78)

Reply:

For the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), since its launching in June 2012 and up to the end of February 2020, a total of 5 881 applications were received, among which 5 092 applications were meant for exploring the Mainland market, and 789 applications for the markets in Association of Southeast Asian Nations (ASEAN) or other economies which have signed Free Trade Agreements (FTAs) with Hong Kong ^{Note}. Up to the end of February 2020, with the exception of 1 485 applications withdrawn of applicants' own volition, a total of 3 780 applications were processed, among which 2 389 applications were approved, involving a total approved funding of \$1.072 billion. The average amount of grant approved for each application is \$449,000.

Having regard to the needs of the trade and the changes in the market situation, the Government launched a series of enhancement measures under the BUD Fund in August 2018 and January 2020 respectively, including the extension of the geographical coverage

of the BUD Fund from the Mainland to the ASEAN markets, followed by further extension to include all economies which have signed FTAs with Hong Kong. The cumulative funding ceiling per enterprise has been substantially increased from the original \$500,000 to \$4 million to provide more funding to enterprises directly for market exploration. The enhancement measures to the BUD Fund have been well received by the trade. The number of applications received (2 390) and the total amount of grants approved (\$558.3 million) by the BUD Fund between October 2018 and February 2020 represented an increase of 95% and 123% respectively as compared to the corresponding period in 2017-2019.

Up to the end of February 2020, 837 projects under the BUD Fund were completed. According to the findings of the project completion surveys, about 99% of the responding enterprises consider the BUD Fund effective in assisting their business development. Enterprises also generally considered that the projects helped enhance the awareness of their brand, improve product quality, develop new products, establish sales network, enhance the overall competitiveness of enterprises and increase sales turnover. Besides the surveys, we have also been maintaining close liaison with the trade through various channels so as to listen to their views and suggestions concerning the operation of the BUD Fund. We will closely monitor the utilisation of the BUD Fund, and consider introducing further enhancement measures in a timely manner taking into account the needs and views of the trade.

Whether enterprises will apply for the BUD Fund hinges on different factors (including the economic situation and the market strategies of individual enterprises etc.), therefore we are not able to estimate the number of applications to be received in the coming 5 years. We will continue to attract more enterprises to utilise the BUD Fund through various promotion channels, including conducting face-to-face meetings with enterprises who wish to apply for the BUD Fund and answering questions relating to applications through “SME ReachOut”, which has commenced operation in January 2020.

Note: The number of applications excludes those under the BUD Fund’s Organisation Support Programme.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)285

(Question Serial No. 2408)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2020-21, the Trade and Industry Department (TID) will liaise closely with the Mainland authorities and local trade on issues in the Mainland with significant impact on business operations, and help reflect the trade's concerns to the relevant Mainland authorities. In this regard, would the Government please advise the details and staffing provision of the relevant work?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 53)

Reply:

The Trade and Industry Department (TID) maintains close liaison with the trade through various channels so as to keep abreast of the trade's concerns and views. TID also maintains close liaison with the Mainland authorities to relay to them the trade's views and to discuss with them support measures for the trade. Among others, in 2019, TID consulted the trade before implementation of the Foreign Investment Law and its implementation regulations on the Mainland, and conveyed the trade's concerns to the Ministry of Commerce.

In addition, from time to time, TID disseminates economic and trade information to the trade by means of circulars to enhance the trade's understanding of the Mainland's latest trade policies, legislation and business environment. In 2019-20, TID issued in total about 700 circulars relating to the Mainland's latest economic and trade policies, including measures by the Mainland authorities in supporting enterprises in light of the Coronavirus Disease 2019 infections, covering measures relating to the tax policies, aspects of labour and social welfare, etc. TID's website also includes a dedicated page on economic and trade information of the Mainland, with about 200 hyperlinks to the economic and trade websites of Mainland authorities, so as to facilitate Hong Kong enterprises to get access to economic and trade information of the Mainland on a single platform.

In 2020-21, TID will continue to implement the relevant measures to assist Hong Kong enterprises operating on the Mainland.

The staffing provision of the above work has been subsumed under the overall staffing provision of TID in 2020-21, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2409)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department indicated that during 2020-21, it would enhance promotion and outreach to SMEs to provide support services on funding applications and consider implementing measures to enhance the various government funding schemes supporting Hong Kong enterprises as appropriate. In this regard, would the Government please advise the relevant specific work and manpower arrangements?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 54)

Reply:

To strengthen the support services for small and medium enterprises (SMEs), the Government consolidated the services of the existing four SMEs centres (i.e. the Support and Consultation Centre for SMEs of the Trade and Industry Department (TID), the SME Centre of the Hong Kong Trade Development Council, SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) to provide “four-in-one” integrated services starting from October 2019, so that SMEs can obtain the necessary information on all funding schemes at any service point. TID and the four SMEs centres also organise and participate in a number of briefing sessions and seminars to reach out to SMEs direct. To step up support for SMEs, the Commerce and Economic Development Bureau allocated additional resources to establish “SME ReachOut”, which has commenced operation in January 2020 to support SMEs in identifying suitable funding schemes, and answering questions relating to applications through face-to-face meetings. In the coming year, we will continue to step up promotion and reach out directly to SMEs to provide them with support services through various channels.

To assist enterprises in countering the challenges of the global economic environment, the Government injected \$1 billion and \$2 billion into the Export Marketing and Trade and Industrial Organisation Support Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) respectively in 2019-20, and has implemented a new round of

enhancement measures since January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding under the SME Export Marketing Fund (EMF). Together with expansion in the scope for funding business missions since November last year, the EMF has further assisted enterprises in exploring markets. At the same time, the geographical coverage of the BUD Fund has been extended from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed Free Trade Agreements with Hong Kong; the cumulative funding ceiling for each enterprise has been doubled from \$2 million to \$4 million; and the ratio of initial payment has been increased from 25% to up to 75% of the approved government funding, to provide more funding to enterprises directly for exploring markets. In 2020-21, we will closely monitor the utilisation of the above-mentioned funding schemes, and consider introducing further enhancement measures in a timely manner taking into account the needs and views of the trade.

The manpower and expenditure of the above-mentioned work has been subsumed under the overall estimated establishment and expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)287

(Question Serial No. 1786)

Head: (181) Trade and Industry Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is learnt that the international and Hong Kong's strategic commodities control lists do not list the specific brand names and the product model numbers but only the technical information. The Trade and Industry Department (TID) determines whether an item is a strategic commodity mainly by matching the product information provided by enquirers or importers with the above technical information, and gives advice to the public accordingly. Since the product information provided by enquirers or importers may not be accurate, there could be errors in the advice so derived by TID, and some products which should not be regarded as strategic commodities were classified as strategic commodities by mistake.

How many such cases were found in each of the past 5 years? What was the percentage of such cases against all the advice given? How long did it take on average for realizing and rectifying the wrong decisions?

Is there any mechanism for reviewing the advice given or the classification decisions made? If yes, what are the details? If no, what are the reasons? Will the Government consider setting up such a review mechanism?

At present, TID mainly waits for enquirers to submit the information of a certain product before making the above classification. Has consideration been given to allocating more manpower and resources so as to collect the information of some popular products (such as masks and filters under the epidemic) proactively and announce their classifications to provide convenience to the public? If yes, what are the details? If no, what are the reasons?

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 46)

Reply:

Hong Kong's strategic commodities control list (i.e. the Schedules of the Import and Export (Strategic Commodities) Regulations (Chapter 60G)) is based on the controls adopted by various international non-proliferation regimes and conventions¹. The international regimes / conventions generally do not set out any specific brand or product model which is subject to control, but just the technical information for the types of goods to be classified as

strategic commodities. Whether any specific item is controlled and subject to licensing requirement depend on its technical specifications and information. In case of doubts after referring to the control list, the person concerned can submit the technical specifications/information of the product to the Trade and Industry Department (TID) for pre-classification advice.

For trade facilitation, a dedicated product checking webpage² is available on TID's website. The webpage provides the control status of products which have been technically assessed by TID in accordance with Hong Kong's strategic commodities control list for the trade's reference. Where necessary, TID will proactively invite major product manufacturers to assist through provision of information relating to the technical specification of the relevant products, so that we can assess the control status of those products and update the dedicated webpage. If necessary, we will also consult Government departments with relevant professional knowledge and make reference to the export control on individual products imposed by the government of the exporting place for conducting the assessment. Once we have obtained more detailed or the latest product information, we will update the classification of individual products as soon as possible.

In 2019-20 (as at the end of February 2020), we have added the information of about 5 500 controlled items to the dedicated webpage. Among them, about 95% are commonly-traded electronics, telecommunication and information security products. In 2020-21, we will continue to update Hong Kong's strategic commodities control list from time to time to reflect the changes promulgated by various international non-proliferation regimes and conventions, and update the dedicated webpage as necessary.

¹ The relevant regimes and conventions are the Chemical Weapons Convention, the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement respectively.

² <https://www.stc.tid.gov.hk/service/productSearch.do?locale=eng>

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)288

(Question Serial No. 0526)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since last year, the Government has administered several funding schemes, and indicated that it would closely monitor the implementation of the enhancement measures with a view to enhancing their effectiveness and utilisation.

Please provide a comparison of the number of applications for the various funding schemes in the past 3 years. What are the scope of work and salary expenditure of the 4 newly created posts?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 37)

Reply:

The Trade and Industry Department (TID) administers various funding schemes to assist enterprises in obtaining financing, exploring markets and enhancing their overall competitiveness, and from time to time makes injections and introduces enhancement measures to the funding schemes having regard to the needs and circumstances of the trade.

In 2019-20, we injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund, and have implemented enhancement measures to the SME Export Marketing Fund (EMF) in January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding. Together with expansion -in the scope for funding business mission since November last year, the EMF has strengthened the support for SMEs to meet the challenges from the local and external economic environment.

At the same time, we injected \$2 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and has implemented enhancement measures since January 2020, including extending the geographical coverage of the BUD Fund from the Mainland and the ten member states of the Association of Southeast Asian Nations (ASEAN) to include other economies which have signed Free Trade Agreements with Hong

Kong; doubling the cumulative funding ceiling for each enterprise from \$2 million to \$4 million; and increasing the ratio of initial payment from 25% to up to 75% of the approved government funding. In order to expedite the vetting process, we have been processing applications on a continual basis instead of by batches on a quarterly basis.

The number of applications for the various funding schemes of TID in the past 3 years is as follows:

	Number of applications received		
	2017	2018	2019
SME Loan Guarantee Scheme (SGS)	770	784	702
EMF	10 895	11 757	16 246
BUD Fund	578	1 082	1 721
Trade and Industrial Organisation Support Fund (TSF) ^{Note}	57	53	77

Note: The former SME Development Fund and the BUD Fund (Organisation Support Programme) were merged in October 2018 to become the TSF. The number of applications listed in the table includes applications received under the above two funding schemes before the merger.

With regard to posts, TID will have a net increase of 4 civil service posts (including Trade Officer Grade and Clerical Grade) in 2020-21 under Programme (3) to assist in processing applications under the EMF and BUD Fund to meet the ongoing operational needs. The expenditure of the above-mentioned posts has been subsumed under the overall expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2304)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the tasks of the Trade and Industry Department (TID) in support of the small and medium enterprises (SMEs) and industries was to assist Hong Kong enterprises in the development and promotion of brands to enhance their competitiveness in the Mainland and overseas markets. What efforts has TID made in the promotion of "Hong Kong Brands" over each of the past 3 years? Please advise on the expenditure in each year involved by itemising in details. How will the Government implement the relevant work in the new 2020-21 financial year? What are the details? What are the specific measures? What is the estimated expenditure?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 55)

Reply:

The Trade and Industry Department (TID) is committed to assisting enterprises in developing their brands and exploring markets through various funding schemes. The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides financial support to enterprises to carry out projects to develop brands, upgrade and restructure business operations and promote sales, so as to enhance their competitiveness on the Mainland and other economies with which Hong Kong has signed Free Trade Agreements. The SME Export Marketing Fund (EMF), which has no geographical restriction on applications, provides financial support to small and medium enterprises (SMEs) to participate in export promotion activities for exploring the Mainland and overseas markets and promoting their brands. In addition, the Trade and Industrial Organisation Support Fund (TSF), which also has no geographical restriction on applications, provides financial support to non-profit-distributing organisations for implementing projects aiming at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The implementation progress of the relevant funding schemes in the past 3 years is as follows:

2019

	Number of applications approved	Amount of grants approved (\$)
BUD Fund	736	429 million
EMF	11 919	299 million
TSF ^{Note}	33	75.1 million

2018

	Number of applications approved	Amount of grants approved (\$)
BUD Fund (Enterprise Support Programme)	481	218.2 million
EMF	9 025	167.1 million
The former SME Development Fund and the former BUD Fund (Organisation Support Programme) ^{Note}	29	73.5 million

2017

	Number of applications approved	Amount of grants approved (\$)
BUD Fund (Enterprise Support Programme)	343	123.1 million
EMF	8 532	135.4 million
The former SME Development Fund and the former BUD Fund (Organisation Support Programme) ^{Note}	25	57.6 million

Note: The SME Development Fund and the BUD Fund (Organisation Support Programme) were merged to form the TSF in October 2018.

The Government injected \$1 billion and \$2 billion into the Export Marketing and Trade and Industrial Organisation Support Fund and the BUD Fund respectively in 2019-20, and has implemented a new round of enhancement measures in January 2020, including doubling the cumulative funding ceiling for each enterprise from \$400,000 to \$800,000; and providing a new option for SMEs to apply for an initial payment of up to 75 per cent of the approved government funding under the EMF. Together with the expansion in the scope for funding business missions since November last year, the EMF has further assisted enterprises in exploring markets. At the same time, the geographical coverage of the BUD Fund has been extended from the Mainland and the ten member states of Association of Southeast Asian Nations (ASEAN) to include other economies which have signed Free Trade Agreements with Hong Kong; the cumulative funding ceiling for each enterprise has been doubled from \$2 million to \$4 million; and the ratio of initial payment has been increased from 25% to up to 75% of the approved government funding, to provide more funding to enterprises directly for exploring markets. In 2020-21, TID will continue to step up the publicity and promote the new enhancement measures to the trade, and encourage enterprises to make good use of the funding schemes to develop and promote their brands with a view to enhancing their competitiveness. At the same time, we will

closely monitor the utilisation of the above-mentioned funding schemes, and consider introducing further enhancement measures in a timely manner taking into account the needs and views of the trade. The total expenditure for the three above-mentioned funding schemes in 2020-21 is estimated to be \$1.138 billion.

TID also co-organises seminars from time to time with the Hong Kong Trade Development Council and business associations. Leading local, Mainland and overseas entrepreneurs and experts are invited to share their experience in establishing brands and market development strategies. We will continue such efforts in 2020-21. The expenditure involved has been subsumed under the overall estimated expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)290

(Question Serial No. 1025)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (2) Trade Support and Facilitation
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the control of “import and export of strategic commodities”, would the Government please provide the following information:

- (1) When the Government considered the listing of specific items as “strategic commodities”, what were the criteria considered? How was the timing of imposing import and export control decided? What kind of items met the definition of “strategic commodities”?
- (2) In 2019-20, how many items have been listed as “strategic commodities” by the Government, and hence import and export control was necessary? Please provide the names, specifications, dates of commencement of the control and justifications for imposing control on those items; and
- (3) In 2020-21, will the Government have any plans to list any items as “strategic commodities”? If yes, what items will be involved (please specify the names and specifications) and what are the justifications for imposing control?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 56)

Reply:

Hong Kong’s strategic commodities control list (i.e. the Schedules of the Import and Export (Strategic Commodities) Regulations (Chapter 60G)) is based on the controls adopted by various international non-proliferation regimes and conventions¹. The international regimes / conventions generally do not set out any specific brand or product model which is subject to control, but just the technical information for the types of goods to be classified as strategic commodities. Whether any specific item is controlled and subject to licensing requirement depend on its technical specifications and information. In case of doubts after referring to the control list, the person concerned can submit the technical specifications / information of the product to the Trade and Industry Department (TID) for pre-classification advice.

For trade facilitation, a dedicated product checking webpage² is available on TID's website. The webpage provides the control status of products which have been technically assessed by TID in accordance with Hong Kong's strategic commodities control list for the trade's reference. The dedicated webpage lists the control status of more than 240 000 products at present. The number of products that are uploaded onto the dedicated webpage depends on the applications made by the trade and the strategic commodity control list at the time. In 2019-20 (as at the end of February 2020), we have added the information of about 5 500 controlled items to the dedicated webpage. Among them, about 95% are commonly-traded electronics, telecommunication and information security products. In 2020-21, we will continue to update Hong Kong's strategic commodities control list from time to time to reflect the changes promulgated by various international non-proliferation regimes and conventions, and update the dedicated webpage as necessary.

¹ The relevant regimes and conventions are the Chemical Weapons Convention, the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement respectively.

² <https://www.stc.tid.gov.hk/service/productSearch.do?locale=eng>

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)291

(Question Serial No. 1026)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2019-20, the Government once classified 3M Particulate Filter 7093 as a strategic commodity subject to import and export control. In this regard, would the Government please supplement the following information:

- 1) the effective date and justifications for imposing import and export control over 3M Particulate Filter 7093; and
- 2) during the period when 3M Particulate Filter 7093 was subject to import and export control, the number of cases in which the relevant commodity was imported into Hong Kong without an import licence, and the number of approved import licences for the commodity?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 57)

Reply:

Hong Kong's strategic commodities control list (i.e. the Schedules of the Import and Export (Strategic Commodities) Regulations (Chapter 60G)) is based on the controls adopted by various international non-proliferation regimes and conventions¹. The international regimes / conventions generally do not set out any specific brand or product model which is subject to control, but just the technical information for the types of goods to be classified as strategic commodities.

The control and technical information for face masks and filter canisters for non-military use is based on the control list of the Wassenaar Arrangement, and is set out in Schedule 1 to the Import and Export (Strategic Commodities) Regulations (Chapter 60G). Whether any specific item is controlled and subject to licensing requirement depend on its technical specifications and information. If individuals who intend to import face masks and filter canisters have any doubts after referring to the control list, they can submit the technical specifications/information of the product to the Trade and Industry Department (TID) for pre-classification advice. Certain face masks and filter canisters may also be subject to

export control by the government of the place of export, and an export licence must be obtained in accordance with the local laws and regulations prior to export.

On 11 February this year, TID received an enquiry about whether a product of model number 3M 7093 was a strategic commodity on the strategic commodities control list of Hong Kong. Based on the product information provided by the enquirer, the Department classified it initially as a strategic commodity. The classification was updated on 16 February based on further detailed technical information of the product obtained afterward.

In 2019-20, TID has not received any import/export licence application for the product of model number 3M 7093. The Department also does not maintain any import and export figures for the product concerned.

¹ The relevant regimes and conventions are the Chemical Weapons Convention, the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement respectively.

- End -