

## Head 96 — GOVERNMENT SECRETARIAT: OVERSEAS ECONOMIC AND TRADE OFFICES

**Controlling officer:** the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) will account for expenditure under this Head.

**Estimate 2021–22** ..... **\$594.5m**

**Establishment ceiling 2021–22** (notional annual mid-point salary value) representing an estimated 205 non-directorate posts as at 31 March 2021 and as at 31 March 2022..... **\$133.1m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2021 and as at 31 March 2022.

### Controlling Officer's Report

#### Programmes

**Programme (1) Commercial Relations**  
**Programme (2) Public Relations**  
**Programme (3) Investment Promotion**

These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

#### Detail

##### Programme (1): Commercial Relations

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	<b>2021–22 (Estimate)</b>
Financial provision (\$m)	196.6	306.9	163.0 (–46.9%)	<b>280.0</b> (+71.8%)
				(or –8.8% on 2020–21 Original)

#### Aim

- 2 The aim is to represent and promote Hong Kong's trading and commercial interests outside Hong Kong.

#### Brief Description

3 The overseas Economic and Trade Offices (ETOs) in Bangkok, Berlin, Brussels, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. identify, develop and cultivate contacts with host governments, represent Hong Kong at international trade organisations, and maintain liaison with other governments and organisations in order to further Hong Kong's trade and economic interests. They monitor and report on developments which are likely to affect such interests, discuss with their host and other governments specific trade and economic issues, assist officers from Hong Kong in negotiating trade agreements, and promote the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement, Hong Kong's participation in the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

- 4 The key performance measures in respect of commercial relations are:

#### Indicators

	2019 (Actual)	2020 (Actual)#	<b>2021 (Estimate)@</b>
meetings on trade-related matters attended.....	3 618	2 299	<b>2 670</b>
visits to host governments and trade organisations.....	1 549	666	<b>990</b>
seminars, exhibitions and workshops			
organised .....	334	207	<b>260</b>
participated.....	924	927	<b>930</b>
public speeches given.....	531	261	<b>350</b>
media interviews/briefings given.....	666	374	<b>510</b>
circulars/newsletters/press releases issued.....	1 702	1 852	<b>1 990</b>

# The 2020 figures also cover events in virtual form. The 2020 figures dropped due to much reduced levels of activities amidst the COVID-19 pandemic.

@ The 2021 figures also cover events in virtual form.

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### *Matters Requiring Special Attention in 2021–22*

5 During 2021–22, the overseas ETOs will continue to promote Hong Kong's trade and commercial interests, including countering protectionism in Hong Kong's major markets, as well as representing Hong Kong and providing support to the Commerce and Economic Development Bureau and, as appropriate, other bureaux and departments on issues of special interests on the bilateral, plurilateral and multilateral fronts. The Dubai ETO in the United Arab Emirates is planned to be opened in 2021.

#### **Programme (2): Public Relations**

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	<b>2021–22 (Estimate)</b>
Financial provision (\$m)	147.7	238.0	124.9 (–47.5%)	<b>216.2</b> (+73.1%)
				(or –9.2% on 2020–21 Original)

#### *Aim*

6 The aim is to promote Hong Kong as a reliable trading partner and a premier location for doing business.

#### *Brief Description*

7 The overseas ETOs monitor and report on reactions to events in Hong Kong. They update overseas interlocutors on developments in Hong Kong, organise publicity and public relations activities for Hong Kong in the host countries or regions under their purview, liaise with Hong Kong enterprises and people, and provide a comprehensive information and enquiry service about Hong Kong.

8 The key performance measures in respect of public relations are:

#### *Indicators*

	2019 (Actual)	2020 (Actual)#	<b>2021 (Estimate)@</b>
call on senior government officials/organisations.....	1 753	860	<b>1 140</b>
public relations functions/events			
organised .....	772	445	<b>610</b>
participated.....	1 528	1 018	<b>1 160</b>
newsletters, pamphlets, press releases issued .....	1 890	1 803	<b>1 910</b>
no. of visitors assisted .....	2 177	1 192	<b>1 130</b>
public speeches given.....	582	307	<b>400</b>
media interviews/briefings given .....	732	375	<b>550</b>
enquiries handled .....	18 401	12 829	<b>13 650</b>

# The 2020 figures also cover events in virtual form. The 2020 figures dropped due to much reduced levels of activities amidst the COVID-19 pandemic.

@ The 2021 figures also cover events in virtual form.

### *Matters Requiring Special Attention in 2021–22*

9 During 2021–22, the overseas ETOs 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 (when the Dubai ETO is set up), etc., as well as strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity.

#### **Programme (3): Investment Promotion**

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	<b>2021–22 (Estimate)</b>
Financial provision (\$m)	71.1	108.9	56.0 (–48.6%)	<b>98.3</b> (+75.5%)
				(or –9.7% on 2020–21 Original)

#### *Aim*

10 The aim is to attract foreign direct investment to Hong Kong and to promote Hong Kong's many advantages as a regional hub and the preferred business location in Asia.

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### *Brief Description*

11 In close collaboration with Invest Hong Kong, the overseas 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.

12 The key performance measures in respect of investment promotion are:

#### *Indicators*

	2019 (Actual)	2020 (Actual)@	2021 (Estimate)
new projects generated#.....	424	238	<b>378</b>
projects completed^ .....	198	135	<b>189</b>

@ The 2020 figures dropped due to the impact of the COVID-19 pandemic on investment.

# New projects with the potential of becoming completed projects in the coming 18 months. The figure reflects the investment promotion efforts in a particular year, discounting projects carried forward from previous years.

^ Investment projects each resulting in an overseas company setting up or undergoing a significant expansion in Hong Kong with the assistance of Invest Hong Kong.

### *Matters Requiring Special Attention in 2021–22*

13 During 2021–22, the overseas ETOs (except the Geneva and Washington ETOs) will continue to work closely with Invest Hong Kong to 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.

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**ANALYSIS OF FINANCIAL PROVISION**

	2019–20 (Actual) (\$m)	2020–21 (Original) (\$m)	2020–21 (Revised) (\$m)	2021–22 (Estimate) (\$m)
<b>Programme</b>				
(1) Commercial Relations .....	196.6	306.9	163.0	<b>280.0</b>
(2) Public Relations .....	147.7	238.0	124.9	<b>216.2</b>
(3) Investment Promotion .....	71.1	108.9	56.0	<b>98.3</b>
	415.4	653.8	343.9 (–47.4%)	<b>594.5</b> <b>(+72.9%)</b>
				<b>(or –9.1% on 2020–21 Original)</b>

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2021–22 is \$117.0 million (71.8%) higher than the revised estimate for 2020–21. This is mainly due to the increased provision for the new ETOs planned to be set up, increased salary provision for filling vacancies and staff changes, and increased operating expenses.

**Programme (2)**

Provision for 2021–22 is \$91.3 million (73.1%) higher than the revised estimate for 2020–21. The reasons for the increase under Programme (1) above also apply here.

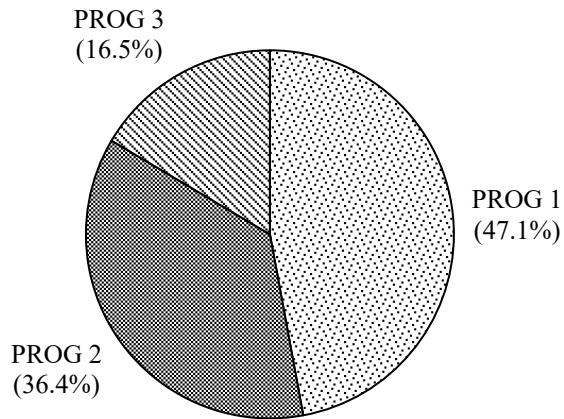
**Programme (3)**

Provision for 2021–22 is \$42.3 million (75.5%) higher than the revised estimate for 2020–21. The reasons for the increase under Programme (1) above also apply here.

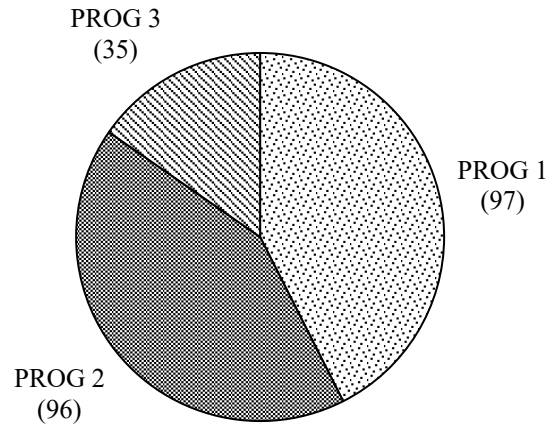
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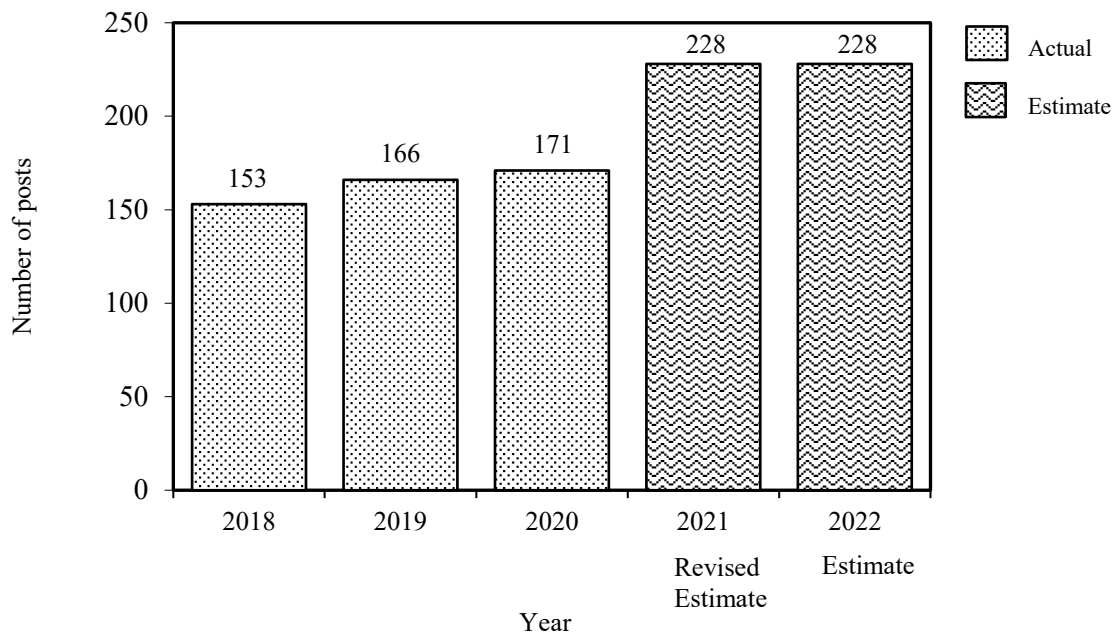
*Allocation of provision  
to programmes  
(2021-22)*



*Staff by programme  
(as at 31 March 2022)*



*Changes in the size of the establishment  
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2019–20	Approved estimate 2020–21	Revised estimate 2020–21	<b>Estimate 2021–22</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	414,914	653,302	343,399	<b>594,468</b>
	Total, Recurrent.....	414,914	653,302	343,399	<b>594,468</b>
	Total, Operating Account .....	414,914	653,302	343,399	<b>594,468</b>
<b>Capital Account</b>					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	474	520	520	—
	Total, Plant, Equipment and Works.....	474	520	520	—
	Total, Capital Account.....	474	520	520	—
	Total Expenditure .....	415,388	653,822	343,919	<b>594,468</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2021–22 for the salaries and expenses of the overseas Economic and Trade Offices (ETOs) is \$594,468,000. This represents an increase of \$250,549,000 over the revised estimate for 2020–21 and \$179,080,000 over the actual expenditure in 2019–20.

#### *Operating Account*

#### Recurrent

2 It is operationally necessary for the overseas ETOs to make certain payments in the currencies of their host economies. Expenditure in the following currencies will be charged to the appropriate subheads at the exchange rates set out below —

Australian Dollar	1=HK\$5.87668
Canadian Dollar	1=HK\$6.05778
Euro	1=HK\$9.33206
Japanese Yen	1=HK\$0.075333
Pound Sterling	1=HK\$10.54730
Singapore Dollar	1=HK\$5.86066
Swiss Franc	1=HK\$8.58531

Expenditure incurred in the US Dollar will be charged to the appropriate subheads at a fixed exchange rate of US\$1=HK\$7.8.

3 Provision of \$594,468,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the overseas ETOs. The increase of \$251,069,000 (73.1%) over the revised estimate for 2020–21 is mainly due to the increased provision for setting up new ETOs, the increased salary provision arising from staff changes and salary increment, as well as increased operating expenses for organising promotional activities overseas.

4 The establishment as at 31 March 2021 will be 228 posts. No change in establishment is expected in 2021–22. Of these posts, 153 are filled by staff engaged locally by the overseas ETOs. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2021–22, but the notional annual mid-point salary value of all such posts must not exceed \$133,142,000.

5 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2019–20 (Actual) (\$'000)	2020–21 (Original) (\$'000)	2020–21 (Revised) (\$'000)	2021–22 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	139,941	220,484	152,114	<b>218,908</b>
- Allowances.....	43,715	50,249	33,511	<b>50,676</b>
Personnel Related Expenses				
- Civil Service Provident Fund contribution.....	7,133	11,372	8,262	<b>12,085</b>
- Disturbance allowance.....	2,268	6,519	2,782	<b>9,349</b>
Departmental Expenses				
- General departmental expenses .....	167,635	202,593	112,341	<b>167,417</b>
Other Charges				
- Publicity .....	54,222	162,085	34,389	<b>136,033</b>
	414,914	653,302	343,399	<b>594,468</b>