

**Head 152 — GOVERNMENT SECRETARIAT:  
COMMERCE AND INDUSTRY BUREAU**

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**Controlling officer:** the Secretary for Commerce and Industry will account for expenditure under this Head.

<b>Estimate 2001–02</b> .....	<b>\$130.6m</b>
<b>Establishment ceiling 2001–02</b> (notional annual mid-point salary value) representing an estimated 134 non-directorate posts at 31 March 2001 reducing by five posts to 129 posts at 31 March 2002.....	<b>\$62.0m</b>
In addition there will be an estimated 13 directorate posts at 31 March 2001 reducing by one post to 12 posts at 31 March 2002.	
<b>Capital Account commitment balance</b> .....	<b>\$12.6m</b>

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**Controlling Officer's Report**

**Programme**

**Commerce and Industry**

This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce and Industry).

**Detail**

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	<b>2001–02 (Estimate)</b>
Financial provision (\$m)	71.6	97.4 (+36.0%)	112.7 (+15.7%)	<b>130.6 (+15.9%)</b>

**Aim**

2 The aim is to encourage Hong Kong's trading partners to remove barriers to trade, promote international business confidence in Hong Kong and facilitate business transactions; to develop Hong Kong to be a competitive and knowledge-based economy by increasing the added value and productivity of Hong Kong's industries and enhancing the long-term capability of small and medium enterprises; to attract external direct investment to Hong Kong; to maintain a modern and comprehensive intellectual property protection regime which complies fully with the international standards; and to initiate, co-ordinate and monitor the progress of the Helping Business and Services Promotion Programmes.

**Brief Description**

3 The Commerce and Industry Bureau's main responsibilities under this programme are to:

- formulate policies on trade promotion;
- formulate negotiating positions and participate in international trade negotiations;
- promote Hong Kong's trading and commercial interests overseas and in international and regional organisations;
- institute measures and arrangements to facilitate international trade;
- formulate policies to raise the competitiveness of small and medium enterprises;
- formulate policies to attract more external direct investment to Hong Kong;
- formulate policies on protection of intellectual property rights; and
- initiate, co-ordinate and monitor various initiatives for supporting and promoting service industries and helping business.

4 During 2000–01, the bureau:

- played an active and constructive role in the preparation for launching a new round of multilateral trade negotiations under the World Trade Organisation (WTO);
- participated actively in the Asia-Pacific Economic Cooperation (APEC) for the implementation of action plans to achieve the goal of free and open trade and investment in the Asia Pacific region by the year 2020;
- chaired the Pacific Economic Cooperation Council (PECC) for 1999–2001;
- promoted Hong Kong's commercial interests through close liaison with government officials and business organisations from various economies;
- participated actively in pressing for the granting of the Permanent Normal Trade Relations status by the US to China;

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- enacted the Air Cargo Transshipment (Facilitation) Ordinance to provide for the relaxation of licensing requirements on a number of categories of products taken into and out of Hong Kong as air transshipment cargo;
- worked with the Hong Kong Trade Development Council to further develop and promote Hong Kong as an international trade centre;
- worked with the Hong Kong Export Credit Insurance Corporation in providing support to the local export community;
- held the second meeting of the Mainland and Hong Kong Joint Commission on Commerce and Trade;
- reconstituted the Small and Medium Enterprises Committee;
- set up a new department named Invest Hong Kong to spearhead Hong Kong's efforts to attract external direct investment to Hong Kong;
- secured the passage of the new Trade Marks Ordinance, which modernised our trade marks regime;
- secured the passage of the Intellectual Property (Miscellaneous Amendments) Ordinance 2000 to prevent bootlegging and to combat corporate copyright piracy;
- worked with departments to publicise the Intellectual Property (Miscellaneous Amendments) Ordinance 2000 to better prepare the general public and business community for the commencement of the Ordinance in 2001;
- made preparations for introducing Electronic Data Interchange (EDI) services for cargo manifests and dutiable commodities permits;
- completed more than 15 studies and identified over 60 initiatives with a view to streamlining government procedures, reducing government regulations or improving services under the Helping Business Programme;
- monitored the progress of the 125 services promotion initiatives in the Final Report of the Government Task Force on Services Promotion, as well as the 12 initiatives in the 2000–01 Services Promotion Action Agenda; and
- reorganised the bureau and some of its supporting departments to advance initiatives for promoting innovation and technology, attracting external direct investment and supporting industry and commerce.

### ***Matters Requiring Special Attention in 2001–02***

5 During 2001–02, the bureau will:

- continue to promote a free, open and non-discriminatory multilateral trading system through the WTO and to participate actively and constructively in the preparation for a new round of multilateral trade negotiations;
- continue to work towards the APEC goal of free and open trade and investment in the Asia Pacific region by 2020;
- continue to provide leadership as the Chair of PECC for 1999–2001;
- continue to develop Hong Kong's trade and industry on the basis of a free market economy;
- introduce a Chemical Weapons (Convention) Bill to implement fully the Chemical Weapons Convention;
- continue to strengthen understanding and cooperation with the Mainland authorities on trade and commerce through the Mainland and Hong Kong Joint Commission on Commerce and Trade;
- explore new measures to enhance support for small and medium enterprises, using the remainder of fund in the Special Finance Scheme as appropriate;
- formulate and start implementing an aggressive investment promotion programme with a view to enhancing Hong Kong's competitiveness in attracting global investment;
- oversee the modernisation of the Intellectual Property Department's computer systems to support more efficient processing of applications for registration of trade mark, patent and design;
- introduce EDI services for cargo manifests and dutiable commodities permits;
- continue to take forward the Helping Business Programme with vigor with a view to maintaining Hong Kong as the best place in the world to do business;
- continue to engender a helping business culture and cultivate the right mindset in the civil service by organising helping business talks, symposiums and an award scheme; and
- continue to identify and implement appropriate initiatives to promote the service industries.

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**ANALYSIS OF FINANCIAL PROVISION**

<b>Programme</b>	1999–2000 (Actual) (\$m)	2000–01 (Approved) (\$m)	2000–01 (Revised) (\$m)	<b>2001–02 (Estimate) (\$m)</b>
Commerce and Industry .....	71.6	97.4 (+36.0%)	112.7 (+15.7%)	<b>130.6 (+15.9%)</b>

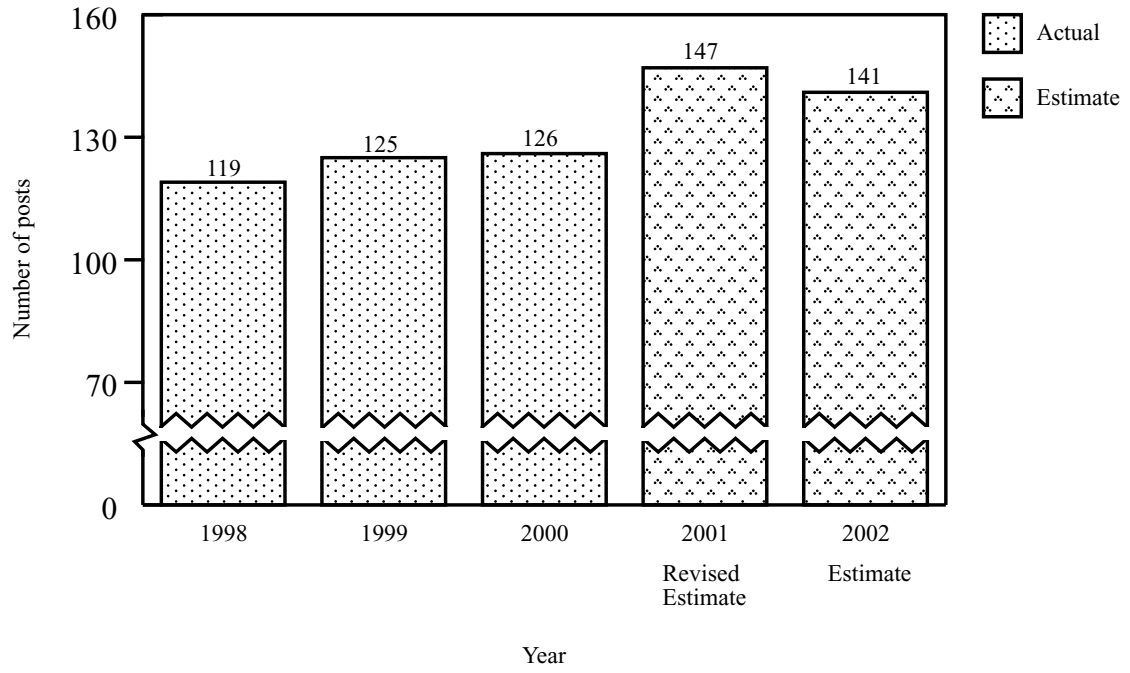
**Analysis of Financial and Staffing Provision**

Provision for 2001–02 is \$17.9 million (15.9%) higher than the revised estimate for 2000–01. The increase is mainly due to salary increments for existing staff, creation of 17 posts and the related expenditure for the organisation of the Fourteenth General Meeting of the PECC and related meetings in 2001, the provision for the annual meeting of the CE's Council of International Advisers, the transfer of two posts from Head 96—Government Secretariat: Overseas Offices to cope with the increase in workload, and the full-year effect of the reorganisation of the trade and industry group of departments on 1 July 2000, partly offset by the full-year savings of posts deleted in 2000–01 under the Enhanced Productivity Programme and a net deletion of 24 posts upon completion of the Fourteenth General Meeting of the PECC and related meetings in 2001. A supernumerary directorate post for secondment to Hong Kong Industrial Estates Corporation (HKIEC) will lapse in 2001–02. As the salaries and allowances for this post is recoverable from HKIEC, the deletion of this post will have no effect on the provision.

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



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Sub-head (Code)		Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	<b>Estimate 2001–02</b>
		\$ 000	\$ 000	\$ 000	<b>\$'000</b>
<b>Recurrent Account</b>					
I — Personal Emoluments					
001	Salaries.....	51,554	64,034	63,827	<b>72,222</b>
002	Allowances.....	4,629	5,020	5,000	<b>5,052</b>
007	Job-related allowances.....	6	7	7	<b>7</b>
	Total, Personal Emoluments.....	<u>56,189</u>	<u>69,061</u>	<u>68,834</u>	<u><b>77,281</b></u>
III — Departmental Expenses					
110	Honoraria for members of committee.....	—	543	300	<b>300</b>
149	General departmental expenses.....	12,605	22,167	22,856	<b>25,156</b>
	Total, Departmental Expenses.....	<u>12,605</u>	<u>22,710</u>	<u>23,156</u>	<u><b>25,456</b></u>
IV — Other Charges					
183	Subscription to the Asia-Pacific Economic Cooperation.....	715	750	750	<b>750</b>
293	Subscription to the Pacific Economic Cooperation Council.....	128	150	150	<b>150</b>
	Total, Other Charges.....	<u>843</u>	<u>900</u>	<u>900</u>	<u><b>900</b></u>
	Total, Recurrent Account.....	<u>69,637</u>	<u>92,671</u>	<u>92,890</u>	<u><b>103,637</b></u>
<b>Capital Account</b>					
II — Other Non-Recurrent					
700	General other non-recurrent.....	1,953	4,704	8,344	<b>11,342</b>
838	Minor consultancy studies (block vote).....	—	—	11,500	<b>15,600</b>
	Total, Other Non-Recurrent.....	<u>1,953</u>	<u>4,704</u>	<u>19,844</u>	<u><b>26,942</b></u>
	Total, Capital Account.....	<u>1,953</u>	<u>4,704</u>	<u>19,844</u>	<u><b>26,942</b></u>
	Total Expenditure.....	<u><u>71,590</u></u>	<u><u>97,375</u></u>	<u><u>112,734</u></u>	<u><u><b>130,579</b></u></u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Commerce and Industry Bureau is \$130,579,000. This represents an increase of \$17,845,000 over the revised estimate for 2000–01 and of \$58,989,000 over actual expenditure in 1999–2000.

#### Recurrent Account

##### Personal Emoluments

**2** Provision of \$77,281,000 for personal emoluments represents an increase of \$8,447,000 over the revised estimate for 2000–01.

**3** The establishment at 31 March 2001 will be 146 permanent posts and one supernumerary post. Taking into account the transfer of two posts from Head 96 —Government Secretariat: Overseas Offices, creation of 17 posts and subsequent net deletion of 24 posts upon completion of the Fourteenth General Meeting of the PECC and related meetings and lapse of one supernumerary post upon cessation of secondment to HKIEC, it is expected that a net five permanent posts and one supernumerary post will be deleted in 2001–02.

**4** Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$61,955,000 which will be reduced to \$49,776,600 upon the net deletion of 24 posts upon the completion of the Fourteenth General Meeting of the PECC and related meetings.

**5** Provision of \$5,052,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowances —

	<i>Rate</i>		
special posting allowance	rates for individual officers to be reviewed annually in accordance with an approved formula		
	<i>Rank</i>	<i>Master Pay Scale point</i>	<i>Rate per month†</i> \$
consolidated overtime allowance for Chauffeur grade	Chauffeur	5	5,240
		6	5,570
		7	5,940
		8	6,330
		9	6,740
		10	7,145

† These rates are payable for the first 1–100 hours overtime per month. Overtime performed in excess of 100 hours will be compensated at 1% of the monthly rate per hour.

**6** Provision of \$7,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

##### Departmental Expenses

**7** Provision of \$300,000 under *Subhead 110 Honoraria for members of committees* includes remuneration and fees payable to the chairman, deputy chairmen and members of the Review Body on Bid Challenges, and honoraria payable to the chairman, deputy chairman and members of the Copyright Tribunal under the Copyright Ordinance.

**8** Provision of \$25,156,000 under *Subhead 149 General departmental expenses* represents an increase of \$2,300,000 (10.1%) over the revised estimate for 2000–01. This is mainly due to the full-year provision for the operation of the Business and Services Promotion Unit and provision for the annual meeting of the CE's Council of International Advisers, partly offset by reduced operating expenses under the Enhanced Productivity Programme.

##### Other Charges

**9** Provision of \$750,000 under *Subhead 183 Subscription to the Asia-Pacific Economic Cooperation* is to meet Hong Kong's contribution to the APEC.

**10** Provision of \$150,000 under *Subhead 293 Subscription to the Pacific Economic Cooperation Council* is to meet Hong Kong's contribution to the PECC.

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*Capital Account*

Other Non-Recurrent

**11** Provision of \$15,600,000 under *Subhead 838 Minor consultancy studies (block vote)* is for the Business and Services Promotion Unit to conduct minor studies each costing above \$100,000 but not exceeding \$3,000,000 related to the Helping Business and Services Promotion Programmes. The increase of \$4,100,000 (35.7%) over the revised estimate for 2000–01 is mainly due to the full-year provision for conducting these studies by the Business and Services Promotion Unit which became part of this bureau since 1 July 2000.

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**Capital Account**

**Commitments**

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2000	Revised estimated expenditure for 2000-01	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
700		<i>General other non-recurrent</i>				
	006	The Fourteenth General Meeting of the Pacific Economic Cooperation Council and related meetings .....	9,735	—	1,050	8,685
	009	Consultancy service on strengthening Hong Kong's role as the preferred international and regional transportation and logistic hub.....	3,280	—	2,000	1,280
	010	Publicity programme to maintain Hong Kong's position as pre-eminent services centre by promoting quality service.....	2,000	—	—	2,000
	685	Development of Hong Kong's assessment capabilities for the operation of strategic trade controls ...	4,000	2,686	657	657
		Total .....	<u>19,015</u>	<u>2,686</u>	<u>3,707</u>	<u>12,622</u>