

Head 145 — GOVERNMENT SECRETARIAT: ECONOMIC DEVELOPMENT AND LABOUR BUREAU (ECONOMIC DEVELOPMENT BRANCH)

Controlling officer: the Permanent Secretary for Economic Development and Labour (Economic Development) will account for expenditure under this Head.

Estimate 2004–05	\$713.8m
Establishment ceiling 2004–05 (notional annual mid-point salary value) representing an estimated 114 non-directorate posts as at 31 March 2004 reducing by one post to 113 posts as at 31 March 2005.....	\$48.6m
In addition there will be an estimated 19 directorate posts as at 31 March 2004 and as at 31 March 2005.	
Commitment balance	\$22.6m

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Economic Development and Labour).
Programme (2) Air and Sea Communications and Logistics Development	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
Programme (3) Posts, Power, Competition Policy and Consumer Protection	This programme contributes to Policy Area 4: Posts, Power, Competition Policy and Consumer Protection (Secretary for Economic Development and Labour).
Programme (4) Public Safety	This programme contributes to Policy Area 7: Public Safety (Secretary for Economic Development and Labour).
Programme (5) Travel and Tourism	This programme contributes to Policy Area 5: Travel and Tourism (Secretary for Economic Development and Labour).
Programme (6) Subvention: Consumer Council	This programme contributes to Policy Area 4: Posts, Power, Competition Policy and Consumer Protection (Secretary for Economic Development and Labour).
Programme (7) Subvention: Hong Kong Tourism Board	This programme contributes to Policy Area 5: Travel and Tourism (Secretary for Economic Development and Labour).

Detail

Programme (1): Director of Bureau's Office

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	—	6.0	6.3 (+5.0%)	6.2 (–1.6%)
				(or +3.3% on 2003–04 Original)

Aim

2 The aim is to ensure the smooth operation of the Office of the Secretary for Economic Development and Labour.

Brief Description

3 The Office of the Secretary for Economic Development and Labour is responsible for providing administrative support to the Secretary for Economic Development and Labour in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

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Programme (2): Air and Sea Communications and Logistics Development

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	46.6	47.8	43.0 (–10.0%)	37.9 (–11.9%)
				(or –20.7% on 2003–04 Original)

Aim

4 The aim is to maintain and develop further Hong Kong's position as a centre of international and regional aviation by ensuring continued compliance with relevant international obligations and standards, provision of sufficient airport capacity to meet demand, high standard of civil aviation management and by facilitating the continued development of safe and reasonably-priced air links to a wide range of destinations to meet the needs of the travelling public and shippers; to promote shipping safety and to ensure continued compliance with relevant international standards of ships registered in Hong Kong or registered elsewhere which visit our port; to ensure that the port of Hong Kong is able to expand so as to simultaneously sustain Hong Kong's economic growth and meet the demands of trade; and to strengthen the role of Hong Kong as the preferred international transportation and logistics hub in Asia.

Brief Description

5 The Economic Development Branch's main responsibility under this programme is to formulate and implement policies on all aspects of civil aviation, shipping and port development, and logistics development.

6 In 2003–04, the branch:

- conducted negotiations on two new air services agreements and negotiated or reviewed air services arrangements with nine aviation partners up to December 2003, as our continuous efforts to expand Hong Kong's air services network;
- worked with the Airport Authority on the cross boundary ferry service for transit passengers, which has been commissioned since end September 2003. The service extended the passenger catchment area of the Hong Kong International Airport to the Pearl River Delta and helped enhance its competitiveness;
- started the preparatory work for partial privatisation of the Airport Authority, including preparation of the necessary legislation;
- concluded a maritime transport agreement with Ukraine, an agreement on the avoidance of double taxation (DTA) on shipping income with Norway, and a DTA on shipping and air services income with Singapore;
- continued the Study on Hong Kong Port – Master Plan 2020 for long-term port development;
- engaged private sector in the development of a Digital Trade and Transportation Network (DTTN) System to enhance speed and reliability in the exchange of information and data among participants in the supply chain;
- identified a suitable site at North Lantau for the development of a value added logistics park (VALP) to provide a designated facility for handling high value and time critical merchandise; and
- completed a study on logistics co-operation with the Mainland in collaboration with the National Development and Reform Commission.

Matters Requiring Special Attention in 2004–05

7 During 2004–05, the branch will continue to:

- liaise with the Airport Authority to take forward initiatives, which will ensure adequate airport capacity, further improve airport services and enhance the airport's connectivity and competitiveness;
- maintain an effective civil aviation management system;
- work to ensure that air services meet market demands and further develop Hong Kong as an international and regional aviation centre;
- proceed with our work to prepare for partial privatisation of the Airport Authority, including the necessary legislative changes;
- work to improve efficiency in existing port operations;
- facilitate the development of the DTTN System;
- liaise closely with the logistics industry to facilitate the development of the VALP;

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- participate in Posidonia 2004 Shipping Congress and Exhibition in June 2004 to promote Hong Kong as an international maritime centre;
- promote Hong Kong's logistics capabilities to an international audience through sponsoring the Logistics Hong Kong International Conference cum Exhibition to be staged in Hong Kong in May 2004; and
- apply new and revised international maritime standards to Hong Kong by completing the legislative procedure for implementing the International Ship and Port Facility Security (ISPS) Code adopted by the International Maritime Organisation to enhance maritime security of the Hong Kong port facilities and ships.

Programme (3): Posts, Power, Competition Policy and Consumer Protection

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	21.9	21.9	17.7 (–19.2%)	17.4 (–1.7%)
				(or –20.5% on 2003–04 Original)

Aim

8 The aim is to promote economic efficiency in the delivery of postal services; to ensure an adequate and reliable supply of energy at reasonable cost to different sectors of the economy; to monitor the operation of the two power companies under the terms of their Scheme of Control Agreements and of the Towngas supply company under the terms of the Information and Consultation Agreement; to promote demand side management; to promote competition; and to protect consumer interests.

Brief Description

9 The branch's main responsibility under this programme is to formulate policies and programmes in relation to postal services, energy supplies, the promotion of economic efficiency and free trade through competition and the protection of consumer interests.

10 In 2003–04, the branch:

- oversaw the reliability of electricity and gas supply which was maintained by the companies concerned at a level exceeding 99.8%;
- examined technical issues in preparation for the review of options for the regulatory regime for the electricity supply sector after the expiry of the current Scheme of Control Agreements in 2008;
- oversaw the timely implementation of demand side management programmes in respect of electricity consumption;
- conducted an interim review of the Scheme of Control Agreements with the two power companies;
- introduced new tendering arrangements for petrol filling station sites to promote competition in the automobile retail fuel market;
- published the annual report of the Competition Policy Advisory Group (COMPAG) for the year 2002–03 through the COMPAG website, and continued to co-ordinate the work of policy bureaux and departments in promoting competition;
- promulgated guidelines, issued by the COMPAG to chambers of commerce and trade and industry associations which seek to maintain a competitive environment, and to define and tackle anti-competitive practices; and
- worked with the Education and Manpower Bureau to promote competition concepts in schools and integrate competition concepts in the school curriculum.

Matters Requiring Special Attention in 2004–05

11 During 2004–05, the branch will:

- continue to ensure the successful operation of the Post Office Trading Fund and take measures to improve customer services and productivity where appropriate;
- monitor the development and availability of natural gas supplies from Shenzhen having regard to potential development for the Hong Kong gas market;
- consider options for the future development of the electricity supply sector after the expiry of the current Scheme of Control Agreements in 2008;
- conduct a financial review pursuant to the Scheme of Control Agreements with the two power companies;

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- continue to assist the COMPAG in reviewing policies and practices to ascertain the extent to which competition can be enhanced in different sectors; and
- update the safety specifications and standards listed in the Toys and Children's Products Safety Ordinance.

Programme (4): Public Safety

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	1.8	1.1	1.2 (+9.1%)	1.1 (–8.3%)
				(or 0.0% on 2003–04 Original)

Aim

12 In the field of electrical and gas safety, the aim is to enhance public safety through the introduction and enforcement of safety standards in relation to plant installation, professional competence, fuel gas storage and transport and product design. In the field of weather services, the aim is to provide high standards of weather information service for the public and special users such as the aviation and shipping community.

Brief Description

13 The branch's main responsibility under this programme is to formulate policies in relation to electrical and gas safety and weather services.

14 In 2003–04, the branch:

- ensured that a weather forecast accuracy of over 75% as measured by public surveys, and over 90% as measured by survey of both the aviation and shipping sectors, was maintained; and
- enforced new regulations for mandatory approval of domestic gas appliances to enhance public safety.

Matters Requiring Special Attention in 2004–05

15 During 2004–05, the branch will continue to:

- further enforce the electrical and gas safety requirements; and
- take measures to improve weather information services.

Programme (5): Travel and Tourism

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	42.7	43.2	142.7 (+230.3%)	41.8 (–70.7%)
				(or –3.2% on 2003–04 Original)

Aim

16 The aim is to maintain Hong Kong's position as the key tourist destination in Asia.

Brief Description

17 The branch's main responsibility under this programme is to formulate policies on tourism development and co-ordinate implementation of tourism projects and initiatives in consultation with the industry.

18 In 2003–04, the branch:

- put in place a training and certification system in conjunction with the trade to ensure the service quality of serving tourist guides;
- worked with the Mainland authorities and relevant parties to ensure smooth implementation of the Individual Visit Scheme;
- worked with relevant parties to facilitate entry of visitors and improve their experience;
- implemented a public education campaign designed to foster a hospitality culture in Hong Kong;

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- continued with the construction of infrastructural facilities required for Hong Kong Disneyland Phase I;
- continued with the construction of Phase II of the Hong Kong Wetland Park;
- awarded the tender for a heritage tourism development by the private sector to preserve and develop the former Marine Police Headquarters (MPHQ) for tourism uses;
- confirmed the implementation framework for a heritage tourism development by the private sector to preserve and develop the Central Police Station, Victoria Prison and former Central Magistracy (the CPS Compound) for tourism uses;
- concluded with the MTR Corporation Ltd the Project Agreement on the 30-year franchise for the Tung Chung Cable Car System;
- confirmed the plan for the “Heart Sutra Wood Carving” project near Ngong Ping on Lantau;
- provided assistance to a working group established by Ocean Park to review its long term strategic development plan;
- implemented the tourist district enhancement projects in Central and Western District and Lei Yue Mun, completed improvement works on Sai Kung waterfront, and installed directional signage in another 12 districts;
- maintained co-ordination among government departments and relevant bodies on other policy and project initiatives to promote tourism development;
- completed Phase I of the Harbour Lighting Plan for Victoria Harbour; and
- worked with departments and the local community to develop the tourism potential of Northern New Territories.

Matters Requiring Special Attention in 2004–05

19 During 2004–05, the branch will continue to:

- co-ordinate work on policy and project initiatives to facilitate tourism development;
- work with the Hong Kong Tourism Board (HKTB), the tourism industry and relevant parties to attract more visitors to Hong Kong and facilitate their entry;
- work with the HKTB on the expansion of the Quality Tourism Services Scheme;
- regulate outbound and inbound travel agents;
- pursue initiatives to enhance existing tourist attractions and facilities, including the beautification of the Tsim Sha Tsui Promenade, construction of the new transport link in Tsim Sha Tsui East, improvements to Stanley Waterfront, the Peak and Ngong Ping and completion of the installation of directional and information signage in all districts;
- carry through the implementation of the major tourism projects, namely, the Hong Kong Disneyland, the Hong Kong Wetland Park and the “Heart Sutra Wood Carving” project; and monitor the progress of the MPHQ project and the Tung Chung Cable Car System;
- invite private sector proposals for the heritage tourism development at the CPS Compound;
- pursue the early development of a Tourism Node with a new modern cruise terminal at Southeast Kowloon in the long term, and identify alternatives to provide additional berthing capacity in the interim;
- continue to work with Ocean Park to formulate its strategic development plan;
- take forward Phase II of the Harbour Lighting Plan for Victoria Harbour;
- draw up an action plan for eco-tourism development in Northern New Territories; and
- maintain close liaison with the Mainland authorities, relevant departments and the trade bodies to prepare for the full implementation of the Individual Visit Scheme.

Programme (6): Subvention: Consumer Council

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision# (\$m)	70.3	67.5	66.2 (–1.9%)	64.7 (–2.3%)

(or –4.1% on
2003–04 Original)

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All figures include provision for the Consumer Council, the estimate for which is transferred from Head 177—Subventions: Non-departmental Public Bodies to Head 145 with effect from 2004–05.

Aim

20 The aim is to protect and promote the interests of consumers of goods and services, and purchasers, mortgagors and lessees of immovable property in Hong Kong.

Brief Description

21 The Consumer Council is an independent body established under the Consumer Council Ordinance to discharge its functions by:

- collecting, receiving and disseminating information concerning goods, services and immovable property;
- examining complaints by and giving advice to consumers;
- tendering advice to the Government on ways to enhance consumer protection;
- conducting product tests and research; and
- encouraging business and professional associations to establish codes of practice to regulate the activities of their members.

22 In 2003, the Consumer Council generally met its targets.

23 The key performance measures in respect of protection and promotion of consumer interests are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
handling consumer enquiries				
telephone calls	immediate	immediate	75% below 3 mins#	75% below 3 mins#
in person	10 mins	immediate to 10 mins	immediate to 10 mins	immediate to 10 mins
in writing				
issued reply (simple case) (working days).....	7	7	7	7
issued preliminary reply (complex case) (working days).....	5	5	6§	6§
issued reply (complex case) (weeks)	1–3	1–3	1–3	1–3
handling consumer complaints				
telephone calls	immediate	immediate	75% below 3 mins#	75% below 3 mins#
in writing				
issued acknowledgement (working days).....	2	2	2	2
issued preliminary reply (working days).....	7	7	7	7
notified complainants of results/progress (working days).....	24	24	27§	27§
publication of 'CHOICE' and release of product testing, research and survey results	monthly	monthly	monthly	monthly

The Council's performance reflects the increase in the number of telephone enquiries and complaints and the capacity of the Council's telephone hotline system.

§ The Council needed a slightly longer time to issue these replies in 2003 due to a substantial increase in the number of consumer complaints and enquiries. The situation is expected to be the same in 2004.

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Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
consumer complaints	22 890	26 501	27 500
consumer enquiries.....	119 673	140 484	143 000
product tests	39	46	42
consumer surveys	16	16	16
in-depth studies	52	52	52
response to consultation from the Government and other public bodies.....	28	43	32
consumer education programmes	192	175†	185
press interviews and enquiries.....	5 300	5 350	5 400
circulation of publications	375 000	404 500	375 000††
distribution of pamphlets.....	35 000	19 300§	20 000§

† The reduction was due to the outbreak of SARS

†† The reduction is attributable to availability of an on-line 'CHOICE' magazine

§ Less pamphlets were/will be distributed following the uploading of information onto the Council's website

Matters Requiring Special Attention in 2004–05

24 During 2004–05, the Council will:

- encourage business and professional associations to establish codes of practice to regulate activities of their members;
- step up liaison with business and professional associations and where necessary, offer training on customer service and product quality matters;
- enhance consumers' awareness by providing impartial information from product testing programmes and services survey results; and building a consumer knowledge base through, inter alia, on-line information, including an on-line 'CHOICE' magazine;
- support Government's policy of tourism promotion by providing pre-shopping advice to tourists and facilitating access to redress consumer disputes;
- forge closer co-operation with consumer associations in the Mainland to help tourists understand Hong Kong's market practice, and facilitate the handling of complaints lodged by consumers; and
- continue to work closely with the Legislative Council, the Government, regulatory bodies and other organisations on consumer policy matters.

Programme (7): Subvention: Hong Kong Tourism Board

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision# (\$m)	520.3	509.3	507.2 (-0.4%)	544.7 (+7.4%)
				(or +7.0% on 2003–04 Original)

All figures include provision for the Hong Kong Tourism Board, the estimate for which is transferred from Head 177—Subventions: Non-departmental Public Bodies to Head 145 with effect from 2004–05.

Aim

25 The aim is to promote inbound tourism and maximise the socio-economic contribution that tourism makes to Hong Kong.

Brief Description

26 The Hong Kong Tourism Board (HKTB), established by the Hong Kong Tourism Board Ordinance, came into being on 1 April 2001. It was formerly known as Hong Kong Tourist Association which was established in 1957 under the Hong Kong Tourist Association Ordinance. The objectives of the HKTB are to:

- increase the contribution of tourism to Hong Kong;
- promote Hong Kong globally as a leading international city in Asia and a world class tourist destination;

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- promote the improvement of facilities for visitors;
- support the Government in promoting to the community the importance of tourism;
- support, as appropriate, the activities of persons providing services for visitors to Hong Kong; and
- make recommendations to the Government on measures which may further any of the foregoing matters.

27 Funds invested by the HKTB in promotional activities will help to stimulate the growth in the number of visitors to Hong Kong and maximise their spending.

28 The effectiveness of the performance of the HKTB cannot be assessed entirely in quantifiable terms. However, the statistics below help to illustrate the overall position and forecasts of the Hong Kong tourism industry.

Indicators

	2002 (Actual)	2003 [†] (Revised Estimate)	2004 [‡] (Estimate)
visitor arrivals (m).....	16.6	15.5	20.5
increase on previous year (%)	+20.7	-6.2	+31.8
tourism receipts (\$b).....	77.4	72.3	93.7
increase on previous year (%)	+25.3	-6.6	+29.5
expenditure per capita visitor (\$)§.....	4,904	5,234	5,120
increase on previous year (%)	+6.9	+6.7	-2.2

§ Spending by servicemen, aircrew and transit passengers is excluded.

† 2003 and 2004 estimates are subject to further revisions. Specifically, the 2004 arrivals estimate is made as of December 2003, and assumes that there will be no major SARS outbreak or incidence of similar impact in the region and in Hong Kong in 2004. The situation remains uncertain with the threat of Avian Flu in the region.

Matters Requiring Special Attention in 2004–05

29 During 2004–05, the HKTB will:

- consolidate the new marketing platform “Hong Kong – Live it, Love it!” launched in September 2003 by strengthening our image of “diversity and sophistication” in shopping, dining, culture, heritage, festival, city vibrancy and green attractions;
- develop high potential markets including the Mainland, South Korea, the Philippines and Thailand, by strengthening trade network and enhancing promotional efforts in these markets and capturing new opportunities such as the Individual Visit Scheme;
- continue to cultivate high priority markets such as Taiwan and Japan, and address specific issues in these markets, including the development of new market segments to generate new arrivals, overcome destination fatigue for repeated visitors and restore confidence and interest in Hong Kong;
- reinforce Hong Kong’s international image and ensure a healthy utilisation spread of tourism services, in particular there is a need to sustain marketing efforts in long haul markets and to package destination offerings to appeal to long haul visitors;
- focus on further growth of the high yield segments of convention and exhibition, incentive and corporate meeting and cruise; explore opportunities in the business segment in terms of extending their stay, encouraging the bringing in of spouse and other family members and encouraging re-visits for leisure;
- continue to develop the family segment to pave way for Hong Kong Disneyland opening by promoting Hong Kong as a family destination in high family potential markets like Mainland, Taiwan, South Korea, Malaysia, other Southeast Asian markets, supported with repackaging of destination products, events and value added offers to suit family;
- work with trade partners to develop new tour products, trade offers for global promotions and low season offers, continue to capture destination co-operation opportunities with Pearl River Delta cities and other complementary Mainland cities that have no direct international flight service, as well as other hot destinations such as Thailand and Vietnam;
- sustain appeal and awareness of Hong Kong with selected key destination events, such as Shopping Festival, International Chinese New Year Parade and Best of the Best Culinary Award;
- increase and stimulate visitor spending which remains a key objective for all events, with particular efforts on business and family segments with tailored information guide and offers;

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- improve visitor satisfaction with enhanced visitor services such as relocation of Visitors Service Centre, expansion of information provision channels and language availability, and upgrading of the Quality Tourism Services scheme with new enhancements; and
- improve HKTB productivity through continuous work process re-engineering, integration and automation.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2002-03 (Actual) (\$m)	2003-04 (Original) (\$m)	2003-04 (Revised) (\$m)	2004-05 (Estimate) (\$m)
(1) Director of Bureau's Office	—	6.0	6.3	6.2
(2) Air and Sea Communications and Logistics Development	46.6	47.8	43.0	37.9
(3) Posts, Power, Competition Policy and Consumer Protection.....	21.9	21.9	17.7	17.4
(4) Public Safety.....	1.8	1.1	1.2	1.1
(5) Travel and Tourism.....	42.7	43.2	142.7	41.8
(6) Subvention: Consumer Council	70.3	67.5	66.2	64.7
(7) Subvention: Hong Kong Tourism Board	520.3	509.3	507.2	544.7
	<hr/>	<hr/>	<hr/>	<hr/>
	703.6	696.8	784.3 (+12.6%)	713.8 (-9.0%)
				(or +2.4% on 2003-04 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2004-05 is \$0.1 million (1.6 %) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut.

Programme (2)

Provision for 2004-05 is \$5.1 million (11.9%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, reduced operating expenditure to achieve efficiency savings and reduced cashflow requirements for port and logistics studies.

Programme (3)

Provision for 2004-05 is \$0.3 million (1.7%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut and reduced operating expenditure to achieve efficiency savings, partly offset by a net increase in cashflow requirements for time-limited projects.

Programme (4)

Provision for 2004-05 is \$0.1 million (8.3%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut and reduced operating expenditure to achieve efficiency savings.

Programme (5)

Provision for 2004-05 is \$100.9 million (70.7 %) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, reduced operating expenditure to achieve efficiency savings and reduced cashflow requirements for time-limited projects, partly offset by the creation of one additional post in 2004-05.

Programme (6)

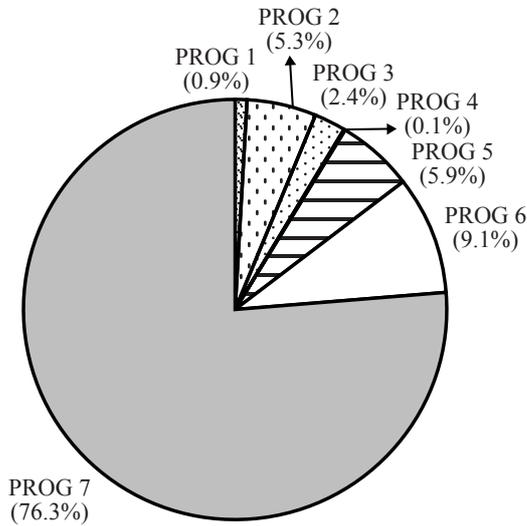
Provision for 2004-05 is \$1.5 million (2.3%) lower than the revised estimate for 2003-04. This is mainly due to a reduction in subvention arising from the 2004 and 2005 civil service pay cut.

Programme (7)

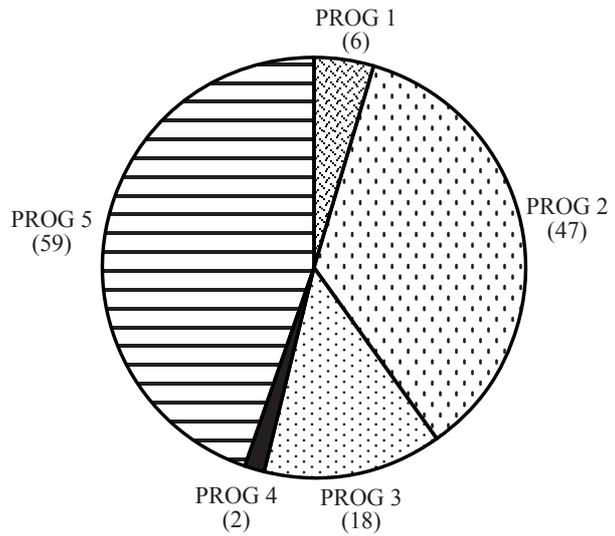
Provision for 2004-05 is \$37.5 million (7.4%) higher than the revised estimate for 2003-04. This is mainly due to additional provision for project-based tourism initiatives, partly offset by a reduction in subvention arising from the 2004 and 2005 civil service pay cut and the reduction of provision for existing time-limited projects.

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Allocation of provision to programmes (2004-05)

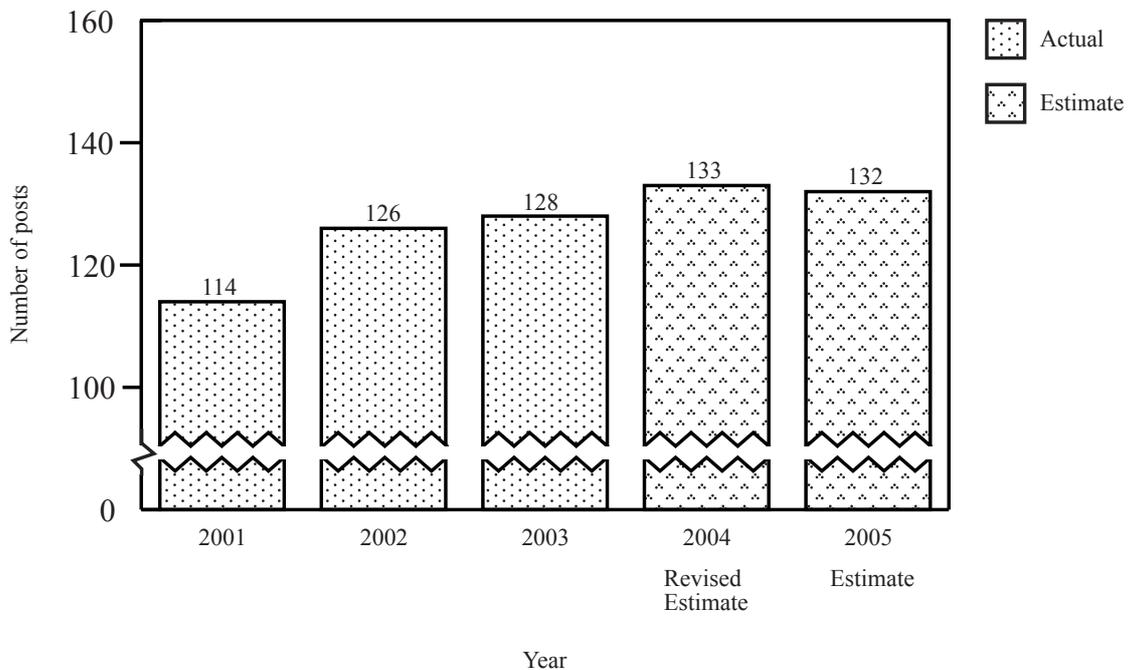


Staff by programme (as at 31 March 2005)



(No government staff under PROG 6 & 7)

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



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Sub-head (Code)	Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	Estimate 2004-05	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	—	106,671	104,422	702,632
	Salaries	72,789	—	—	—
	Allowances	3,390	—	—	—
	Job-related allowances	11	—	—	—
	General departmental expenses	18,297	—	—	—
	Total, Recurrent	<u>94,487</u>	<u>106,671</u>	<u>104,422</u>	<u>702,632</u>
Non-Recurrent					
700	General non-recurrent.....	18,472	13,371	106,453	11,170
	Total, Non-Recurrent	<u>18,472</u>	<u>13,371</u>	<u>106,453</u>	<u>11,170</u>
	Total, Operating Account.....	<u>112,959</u>	<u>120,042</u>	<u>210,875</u>	<u>713,802</u>
Total Expenditure.....					
		<u><u>112,959</u></u>	<u><u>120,042</u></u>	<u><u>210,875</u></u>	<u><u>713,802</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Economic Development Branch is \$713,802,000. This represents an increase of \$502,927,000 over the revised estimate for 2003–04 and of \$600,843,000 over actual expenditure in 2002–03.

Operating Account

Recurrent

2 Provision of \$702,632,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Economic Development Branch. The increase of \$598,210,000 (572.9%) over the revised estimate for 2003–04 is mainly due to the transfer, with effect from 2004–05, of subventions to the Consumer Council and Hong Kong Tourism Board from Head 177 to Head 145 and additional provision for project-based tourism initiatives, partly offset by the effect of the 2004 and 2005 civil service pay cut and reduced operating expenditure to achieve efficiency savings.

3 The establishment as at 31 March 2004 will be 132 permanent posts and one supernumerary post. It is expected that there will be a net deletion of one permanent post in 2004–05. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed \$48,643,000.

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

	2002–03 (Actual) (\$'000)	2003–04 (Original) (\$'000)	2003–04 (Revised) (\$'000)	2004–05 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	72,789	75,724	74,856	76,950
- Allowances.....	3,390	3,194	3,490	3,131
- Job-related allowances	11	13	4	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	72	72	60
Departmental Expenses				
- General departmental expenses.....	18,297	27,668	26,000	18,142
Subventions				
- Consumer Council.....	—	—	—	64,185
- Hong Kong Tourism Board.....	—	—	—	540,162
	94,487	106,671	104,422	702,632

**Head 145 — GOVERNMENT SECRETARIAT: ECONOMIC DEVELOPMENT AND
LABOUR BUREAU (ECONOMIC DEVELOPMENT BRANCH)**

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2003	Revised estimated expenditure for 2003-04	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	011	Promotion of Hong Kong as an international shipping centre and study on the competitiveness of the Hong Kong container port	2,150	2,088	3	59
	013	Promotion of Hong Kong as an international maritime centre and leading port	3,600	3,295	—	305
	014	Consultancy on competition issues in other economies	1,200	—	500	700
	015	Enhancing public awareness of the work of the Competition Policy Advisory Group	500	194	5	301
	016	A "Hospitable Hong Kong" Campaign ..	9,600	6,893	1,400	1,307
	017	Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong	8,500	1,873	550	6,077
	018	Developing and promoting Hong Kong as the preferred international and regional transportation and logistics centre	9,500	7,198	20	2,282
	019	Study on Competitive Strategy and Master Plan for the Time Definite Sector in the Supply Chain	9,923	2,059	4,991	2,873
	021	Organisation of an international logistics conference	900	—	—	900
	022	Tourism Development Assistant Training Project	98,000	—	97,900	100
	107	Tourism Development Fund	50,000	47,450	—	2,550
	151	Developing and enhancing the information collection, infrastructure and information-based strategic planning and marketing capabilities of the Hong Kong Tourism Board	9,900	2,000	4,900	3,000
	152	Review of web-based services and computer infrastructure of the Consumer Council	3,500	880	430	2,190
		Total	207,273	73,930	110,699	22,644