

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

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

Estimate 2008–09	\$1,180.2m
Establishment ceiling 2008–09 (notional annual mid-point salary value) representing an estimated 153 non-directorate posts as at 31 March 2008 rising by 12 posts to 165 posts as at 31 March 2009	\$71.2m
In addition, there will be an estimated 19 directorate posts as at 31 March 2008 and as at 31 March 2009.	
Commitment balance	\$53.7m

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Commerce and Economic Development).
Programme (2) Commerce and Industry Programme (3) Subvention: Hong Kong Trade Development Council	These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).
Programme (4) Posts, Competition Policy and Consumer Protection Programme (5) Subvention: Consumer Council	These programmes contribute to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development).
Programme (6) Travel and Tourism Programme (7) Subvention: Hong Kong Tourism Board	These programmes contribute to Policy Area 5: Travel and Tourism (Secretary for Commerce and Economic Development).
Programme (8) Public Safety	This programme contributes to Policy Area 7: Public Safety (Secretary for Commerce and Economic Development).

Detail

Programme (1): Director of Bureau's Office

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	6.9	6.7	7.3 (+9.0%)	12.2 (+67.1%)
				(or +82.1% on 2007–08 Original)

Aim

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

Brief Description

3 The Office of the Secretary for Commerce and Economic Development is responsible for providing support to the Secretary for Commerce and Economic Development in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The office is also responsible for providing administrative support to the Secretary for Commerce and Economic Development 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): Commerce and Industry

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	124.7	167.2	135.9 (–18.7%)	157.6 (+16.0%)
				(or –5.7% on 2007–08 Original)

Aim

4 The aims are to encourage Hong Kong's trading partners, through multilateral, regional and bilateral means, to remove barriers to trade; to promote international business confidence in Hong Kong; to develop Hong Kong as a competitive and knowledge-based economy by increasing the added value and productivity of Hong Kong's industries and enhancing the long-term competitiveness of small and medium enterprises (SMEs); to foster our trading and investment ties with the Mainland and support our businesses in seizing the opportunities created by the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA); to attract external direct investment to Hong Kong; to maintain a modern and comprehensive intellectual property protection regime which complies fully with international standards; and to promote and support Hong Kong's professional services.

Brief Description

5 The Commerce, Industry and Tourism Branch's main responsibilities under this programme are to:

- enhance the mutually beneficial economic relationship between the Hong Kong Special Administrative Region and the Mainland through the CEPA;
- promote and safeguard the market access of Hong Kong's products and services through active participation in the multilateral trading system including further trade liberalisations under the World Trade Organization (WTO);
- institute measures and arrangements to facilitate international trade and gain market access for Hong Kong's products and services;
- formulate policies on trade promotion;
- formulate policies to attract more external direct investment to Hong Kong;
- formulate policies to support SMEs;
- provide support to local businesses operating in the Mainland;
- foster friendship and understanding between the business communities of Hong Kong and our major markets;
- formulate policies on protection of intellectual property rights; and
- administer the Professional Services Development Assistance Scheme (PSDAS) to help enhance the external competitiveness and standard of professional services.

6 During 2007–08, the Branch:

- concluded successfully the consultations with the Mainland on further liberalisation under the CEPA and liaised closely with the Mainland authorities to ensure the smooth implementation of the CEPA;
- participated actively in the work of the WTO including the discussions on the new round of multilateral trade negotiations;
- 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;
- participated actively in the Pacific Economic Cooperation Council (PECC) to promote economic growth and development in the Pacific region;
- implemented policies and programmes on inward investment promotion, especially in relation to positioning Hong Kong as part of the Greater Pearl River Delta Region and attracting Mainland enterprises to invest in Hong Kong;
- reviewed the SME Funding Schemes in consultation with the SME Committee;
- enacted the Copyright (Amendment) Ordinance 2007;
- took forward the preparation of subsidiary legislation related to the newly enacted Copyright (Amendment) Ordinance 2007 as well as rolled out publicity and public education programmes targeted at the relevant sectors before bringing into operation the new liability provisions in the Ordinance;

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- formulated the Government's preliminary proposals to strengthen copyright protection in the digital environment, having regard to views received in the public consultation exercise which ended in April 2007;
- notified the WTO of Hong Kong's acceptance of the "Protocol amending the Agreement on Trade-Related Aspects of Intellectual Property Rights" which facilitates access to generic versions of patented pharmaceutical products for addressing public health problems, after enactment of the Patents (Amendment) Ordinance 2007;
- continued to oversee efforts aimed at promoting awareness of and respect for intellectual property rights in the business sector, including programmes designed to assist business, in particular SMEs, to achieve compliance with intellectual property rights;
- managed the PSDAS;
- sought funding for implementing an electronic advance cargo information system for customs clearance of road cargoes, following enactment of the Import and Export (Amendment) Ordinance 2007 which provides the necessary regulation making power for implementing the system;
- completed a review of the operation of Government Electronic Trading Services (GETS); and commenced the preparation of a tender exercise for the provision of GETS after 2009; and
- maintained close and effective liaison with the Mainland authorities at central and provincial levels, as well as assisted the trade, through the Task Force to Support the Processing Trade and Mainland study missions, to cope with challenges arising from Mainland's policy adjustments on processing trade.

Matters Requiring Special Attention in 2008–09

7 During 2008–09, the Branch will:

- continue to work together with the Mainland authorities to ensure the smooth and effective implementation of the CEPA and to further its development;
- continue to promote a free, open and non-discriminatory multilateral trading system through active and constructive participation in the work of the WTO including the current 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 the year 2020;
- work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to formulate policies and monitor programmes on inward investment promotion, especially in relation to positioning Hong Kong as part of the Greater Pearl River Delta Region, attracting Mainland enterprises to invest in Hong Kong;
- continue to work with the SME Committee to monitor the operation of the SME Funding Schemes;
- continue to maintain close communication and co-operation with the Mainland authorities on trade and investment issues;
- continue to assist the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and developing new markets;
- introduce subsidiary legislation related to the Copyright (Amendment) Ordinance 2007 into the Legislative Council, and bring into operation new liability provisions in the Ordinance by phases after publicity and public education programmes designed to promote awareness have been rolled out;
- release the Government's preliminary proposals for strengthening copyright protection in the digital environment, with a view to building up consensus for changes that may require legislative amendments;
- continue to oversee efforts to promote respect for intellectual property protection in the business sector, particularly amongst SMEs;
- continue to manage the PSDAS;
- introduce in the 2008–09 legislative session the Import and Export (Electronic Cargo Information) Regulation which seeks to provide the legal basis for implementing an electronic advance cargo information system for customs clearance of road cargoes; and
- complete the tender exercise for the provision of GETS after 2009.

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

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	341.2	350.0	350.0 (—)	360.0 (+2.9%)
				(or +2.9% on 2007–08 Original)

Aim

8 The aim is to facilitate the Hong Kong Trade Development Council (HKTDC) to perform its statutory functions, i.e. to promote, assist and develop Hong Kong's trade with places outside Hong Kong, with particular reference to exports; and to make such recommendations to the Government as it sees fit in relation to any measures which it considers would achieve an increase in Hong Kong's trade.

Brief Description

9 The HKTDC is the statutory organisation that promotes Hong Kong's external trade. With a global network of 40 offices in 27 economies, the HKTDC:

- creates global marketing and sales opportunities for Hong Kong's merchandise and service industries through its international trade promotion events, trade fairs in Hong Kong and product/service magazines;
- connects Hong Kong companies with potential buyers and sellers around the world through its databank and business-matching services;
- provides business information and market intelligence through a wide range of services, including its Internet portal;
- enhances and promotes the capability of Hong Kong industries through comprehensive development/training programmes, international image/brand-name promotion activities and a Design Gallery to showcase innovative Hong Kong products; and
- reinforces Hong Kong as a global marketplace in the Asia-Pacific region through corporate relations and business promotion activities around the world, including support for six bilateral committees and 31 Hong Kong business associations in 23 countries.

10 The key performance measures in respect of promoting Hong Kong's external trade are:

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
trade & services promotion			
events.....	589	648	676
companies participating.....	62 226	66 672	67 224
local fairs			
no. of overseas buyers.....	280 945	295 755	295 977
no. of fairs.....	31	33	33
business-matching enquiries worldwide			
automated business-matching Δ	8 372 781	8 598 000	N.A.
customised business-matching $\Omega\Delta$	2 540	2 805	N.A.
no. of business enquiries handled Δ	N.A.	N.A.	569 900
no. of business referrals made Δ	N.A.	N.A.	8 413 800
trade publications			
worldwide circulation (million).....	2.10	2.07	1.75
no. of advertisements Ψ	40 595	63 844	N.A.
no. of issues.....	89	96	88
trade portal (tdctrade.com)			
average daily user sessions Ψ	150 000	167 392	N.A.
no. of advertisers on HKTDC's trade portal Ψ	N.A.	N.A.	17 000

Δ From 2008 onwards, the HKTDC will measure its business matching services by the number of business enquiries handled and business referrals made in accordance with market practice. The new performance indicators include both automated and customised business matching enquiries and referrals.

Ω The figures for 2006 and 2007 reflect the cases handled through the Premier Connect service, which is a more personalised and in-depth fee-charging service. This indicator will be replaced by new performance indicators from 2008 onwards.

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Ψ The new performance indicator on number of advertisers on the HKTDC's trade portal will replace the existing indicators on number of advertisements in the HKTDC's trade publications and the average daily user sessions of the HKTDC's trade portal with effect from 2008. The new indicator will better measure the HKTDC's performance in facilitating buyer-supplier matching via the trade portal.

Matters Requiring Special Attention in 2008–09

11 During 2008–09, the HKTDC will:

- strengthen Hong Kong's position as Asia's international business platform; promote the Hong Kong platform to Mainland and international companies; enhance the leadership position of the HKTDC trade shows; upgrade and promote the HKTDC integrated marketplace comprising online portal, publications and exhibitions; and enhance Hong Kong's position as a technology marketplace;
- champion Hong Kong's service and manufacturing companies' quality, creativity and sophistication; promote a favourable image of Hong Kong products and services; promote Hong Kong branded products; consolidate Hong Kong's position as a creative hub and regional design centre; promote Hong Kong as Asia's international financial centre; and continue with path-finding efforts in emerging markets; and
- enhance the HKTDC's value as an active resource centre and partner for SMEs, assist them in resolving operational difficulties, particularly those in the Mainland market, and accelerate their move up the value chain; reinforce a stronger HKTDC Brand; grow the HKTDC's business matching expertise; and realign and strengthen the HKTDC's resources and manpower capabilities to meet changing market demands.

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

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	10.1	9.9	17.2 (+73.7%)	13.0 (–24.4%)
				(or +31.3% on 2007–08 Original)

For comparison purpose, the figures include relevant provisions for posts, competition policy and consumer protection which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

12 The aims are to promote economic efficiency in the delivery of postal services; to promote competition; and to protect consumer interests.

Brief Description

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

14 In 2007–08, the Branch:

- published the annual report of the Competition Policy Advisory Group (COMPAG) for the year 2006–07 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- began work on the preparation of a Competition Bill, having regard to the outcome of the public consultation on competition policy; and
- introduced amendments to the Trade Descriptions Ordinance to strengthen our regulatory tools for the protection of consumers and tourists against malpractices in the retail trade.

Matters Requiring Special Attention in 2008–09

15 During 2008–09, the Branch will:

- issue a document setting out the detailed provisions of the proposed new competition law;
- seek to introduce the draft Competition Bill into the Legislative Council;
- continue to follow up on the legislative amendments in relation to consumer protection;

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- consider the recommendations of the review conducted by the Consumer Council (CC) on the overall consumer protection regime which is targeted for completion in early 2008; and
- continue to ensure the successful operation of the Post Office Trading Fund and take measure to improve customer service and productivity where appropriate.

Programme (5): Subvention: Consumer Council

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	62.6	67.5	71.3 (+5.6%)	72.1 (+1.1%)
				(or +6.8% on 2007–08 Original)

For comparison purpose, the figures include relevant provisions for the subvention to the CC which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

16 The aim is to protect and promote the interests of consumers of goods and services.

Brief Description

17 The CC 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.

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

Targets

	Target	2006 (Actual)	2007 (Actual)	2008 (Plan)
handling consumer enquiries				
telephone calls answered within three minutes (%).....	80	80	80	80
waiting time for over-the-counter enquiry service not to exceed ten minutes.....	100	100	100	100
in writing				
issuing reply (simple case) (working days).....	7	7	7	7
issuing preliminary reply (complex case) (working days).....	6	6	6	6
issuing reply (complex case) (weeks).....	1-3	1-3	1-3	1-3
handling consumer complaints				
telephone calls answered within three minutes (%).....	80	80	80	80
in writing				
issuing acknowledgement (working days).....	2	2	2	2
issuing preliminary reply (working days).....	7	7	5 [^]	5[^]
notifying complainants of results/progress (working days).....	27	27	14 [^]	14[^]

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	Target	2006 (Actual)	2007 (Actual)	2008 (Plan)
publications of 'CHOICE' and release of product testing, research and survey results once per month (%).....	100	100	100	100

^ For the calculation of response time, the date of receipt of complaints is re-defined as from 2007 as the time when complainants have provided all the necessary information for processing, rather than the time when the complaints are first received.

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
consumer complaints	35 962	38 521	39 000
consumer enquiries	166 180	168 850	170 000
product tests.....	43	42	43
consumer surveys.....	16	16	19φ
in-depth studies.....	44	47	46
studies of general interest@.....	N.A.	18	16
response to consultation from the Government and other public bodies	24	53	47α
consumer educational programmes.....	190	206	210
press interviews and enquiries	5 600	5 200	5 500
circulation of publications	375 300	360 000	370 000
distribution of pamphlets	11 669	7 917	10 000

φ With a view to strengthening consumer protection of Mainland tourists, the number of surveys will be increased to include additional survey projects on goods and services popular among Mainland tourists.

@ A new indicator has been added for studies of general interest to provide useful information to tourists through the Council's new website: www.consumer.org.hk/shopsmart.

α In 2007, the Council has responded to a large number of consultations in respect of the improvement of consumer protection laws. It is anticipated that the work in this area will continue through to 2008.

Matters Requiring Special Attention in 2008–09

19 During 2008–09, the Council will:

- forge closer co-operation with consumer organisations in the Mainland to help tourists understand Hong Kong's market practice, and to speed up the process of complaint handling through co-operation with these organisations;
- enhance and promote the Council's new dedicated website for Mainland visitors shopping in Hong Kong;
- work closely with the Government on the consultation and amendment of legislation regarding consumer protection; and
- advise the Government and follow up on the tasks relating to the comprehensive review of the consumer protection regime in Hong Kong.

Programme (6): Travel and Tourism

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	48.4	52.8	52.5 (–0.6%)	82.5 (+57.1%)

(or +56.3% on
2007–08 Original)

For comparison purpose, the figures include relevant provisions for travel and tourism which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

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

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Brief Description

21 The Branch's main responsibilities under this programme are to:

- formulate policies on tourism development; and
- co-ordinate implementation of tourism projects and initiatives in consultation with the industry and relevant government departments and agencies.

22 In 2007–08, the Branch:

- continued with the regulation of inbound and outbound travel agents;
- monitored the certification system for tourist guides and the implementation of a continuous professional development programme by the trade to enhance the quality of tourist guides;
- worked with the Mainland authorities and relevant parties to ensure smooth implementation of the Individual Visit Scheme (IVS);
- worked with relevant parties to facilitate entry of visitors;
- oversaw the implementation of the tourism promotion and marketing campaigns by the Hong Kong Tourism Board (HKTB) in attracting more visitor arrivals, and monitored the cost-effectiveness of these campaigns;
- worked with the HKTB on the expansion of the Quality Tourism Services (QTS) Scheme;
- worked with the trade, the HKTB, the Travel Industry Council of Hong Kong (TIC), the CC and the Mainland authorities to improve service quality of inbound travel agents, combat illegal activities and trade malpractices targeting Mainland group tours, enhance protection of consumer rights of Mainland visitors in Hong Kong and step up consumer education for them;
- worked with the TIC to improve the regulatory framework of travel agents with a view to enhancing the quality of tourism services in Hong Kong;
- worked with the trade and the HKTB to facilitate the operation of the Hong Kong Disneyland and the Hong Kong Wetland Park;
- monitored the progress of the project awarded in May 2003 for a heritage tourism development of the former Marine Police Headquarters by the private sector;
- worked with the MTR Corporation Limited, Ngong Ping 360 and the travel industry to prepare for the re-opening of the Ngong Ping Cable Car System, and to re-establish Ngong Ping 360 as a popular tourist attraction after its re-opening;
- continued with the housekeeping responsibility for the Ocean Park and facilitated the Ocean Park Redevelopment project and hotel development project;
- continued to press ahead for the timely development of a new cruise terminal at Kai Tak to meet the future needs of Hong Kong;
- completed the Transport Link Project in Tsim Sha Tsui East;
- continued with the planning and implementation of projects under the Tourism District Enhancement Programme. These include the Aberdeen Tourism Project, the Ngong Ping Landscaped Piazza Project, the Tsim Sha Tsui Promenade Beautification Project, Stanley Waterfront Improvement Project and Peak Improvement Scheme;
- co-ordinated with government departments and relevant bodies on other policy and project initiatives to promote tourism development; and
- implemented green tourism project in the Plover Cove and Tolo Channel area and Tung Ping Chau.

Matters Requiring Special Attention in 2008–09

23 During 2008–09, the Branch will:

- continue to co-ordinate work on policy and project initiatives to facilitate tourism development;
- continue to work with the trade, the HKTB and relevant parties to attract more visitors to Hong Kong;
- continue to advocate measures to further facilitate visitors' entry into Hong Kong;
- support and co-ordinate with the HKTB, the trade and relevant training institutions to facilitate supply of talents and enhance promotional efforts for the MICE (Meetings, Incentive Travels, Conventions and Exhibitions) and related tourism sectors;
- continue to maintain close liaison with the trade, relevant government departments and the Mainland authorities to ensure smooth implementation of the IVS;
- continue to work with the HKTB on the expansion of the QTS Scheme;

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- work with the trade, the HKTB, the TIC, the CC and the Mainland authorities to implement further Honest and Quality Tourism measures, including improving service quality of inbound travel agents, enhancing protection of consumer rights of Mainland visitors in Hong Kong and stepping up consumer education for them;
- continue to regulate inbound and outbound travel agents;
- monitor the HKTB in implementing measures to improve corporate governance and enhance value-for-money in response to the recommendations of the Director of Audit;
- facilitate the smooth operation of various major tourism facilities, including the Hong Kong Disneyland, the Hong Kong Wetland Park and Ngong Ping 360;
- work closely with the Ocean Park to ensure smooth implementation of its redevelopment project and hotel development project with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region;
- join forces with major arts groups and the tourism sector to implement a pilot scheme for establishing an effective marketing platform to enhance the development and promotion of cultural tourism;
- ensure timely development of a new cruise terminal at Kai Tak through an open land tender;
- implement the enhancement of footbridges in Tsim Sha Tsui East; and
- take forward further enhancement of existing tourist attractions and facilities, including the Ngong Ping Landscaped Piazza Project, Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront and development of a piazza in Tsim Sha Tsui.

Programme (7): Subvention: Hong Kong Tourism Board

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	665.0	541.8	540.2 (–0.3%)	482.5 (–10.7%)
				(or –10.9% on 2007–08 Original)

For comparison purpose, the figures include relevant provisions for the subvention to HKTB which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

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

Brief Description

25 The HKTB, established by the Hong Kong Tourism Board Ordinance, came into being on 1 April 2001. It was formerly known as the Hong Kong Tourist Association which was a statutory body 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;
- 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/organisations providing services for visitors to Hong Kong; and
- make recommendations to the Government on measures which may further any of the foregoing matters.

26 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.

27 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.

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Indicators

	2006 (Actual)	2007 (Revised Estimate) Δ	2008 (Estimate) Δ
visitor arrivals (million).....	25.3	28.2	30.4
increase on previous year (%) $@$	+8.1	+11.6	+8.0
tourism expenditure associated with inbound tourism (\$ billion) \P	119.4	138.0	152.7
increase on previous year (%) $@$	+12.7	+15.7	+10.6
expenditure per capita overnight visitor (\$) Ω	4,799	5,162	5,411
increase on previous year (%) $@$	+2.9	+7.6	+4.8
length of stay of overnight visitors (nights) β	3.5	3.3	3.2
satisfaction of overnight visitors (score out of 10) β	8.0	8.1	8.1

Δ 2007 revised estimate and 2008 estimate are subject to changes. Any global or regional security threats and health risks may affect the above estimates but cannot be assessed at this stage.

$@$ The percentage increase is based on the comparison of absolute figures before rounding up.

\P This includes receipts of Hong Kong-based carriers for the cross-boundary transportation of non-resident visitors as estimated by the Census and Statistics Department. The expenditure for 2006 is \$30.0 billion. The projection for 2007 and 2008 is \$32.9 billion and \$35.1 billion respectively.

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

β These indicators are added taking into account Director of Audit's recommendation in the Audit Report with a view to improving the performance measures and to better reflect the performance of the HKTb. Length of stay of overnight visitors is derived based on the visitor entry/exit statistics provided by the Immigration Department. Satisfaction score is estimated based on the HKTb's Departing Visitor Survey conducted at major control points throughout the year. It is represented by a 10-point scale, in which "ten" (maximum score) means "very satisfied" and "one" means "very dissatisfied".

Matters Requiring Special Attention in 2008–09

28 During 2008–09, the HKTb will:

- fully capitalise on Hong Kong's major attractions such as the Hong Kong Disneyland, the Ocean Park, the Wetland Park and Ngong Ping 360 to reinforce the appeal of Hong Kong for the family segment;
- ride on the 2008 Beijing Olympics and the Equestrian Events in Hong Kong to promote Hong Kong as an Olympic co-host city; to capture pre- and post- Beijing stopover visits to Hong Kong and target equestrian fans worldwide to visit Hong Kong; and to join hands with the community and the Government to create an Olympic atmosphere by organising mega events with an Olympic focus;
- further reinforce Hong Kong's unique living culture through effective use of "Hong Kong – Live it, Love it!" marketing platform as well as other public relations initiatives with emphasis on interactive and experiential activities, festivals, traditions, culture and heritage;
- carry out Mainland and overseas promotional activities targeted at consumers, the trade and media based on the following marketing strategies –
 - continue to maintain a diversified market portfolio by sustaining marketing efforts in the long haul markets, developing high-potential markets like South Korea and the Philippines and emerging markets like India and Russia, and exploring new opportunities like the Middle East;
 - with the current relaxation of visa requirement for Russians travelling to Hong Kong from Mainland, further develop Russia as an emerging market by promoting "Hainan+Hong Kong" combo;
 - continue to tap on Mainland China's potential as a key source market and complementary partner, further drive arrivals from non-Guangdong cities and identify partnering opportunities with Pan Pearl River Delta region destinations to attract visitors to Hong Kong;
 - improve and augment our marketing efforts in the MICE segment to promote Hong Kong as the regional hub of MICE events and a preferred international MICE destination;
 - pave way for the opening of a new cruise terminal in 2012, explore co-operation opportunities with the China National Tourism Administration and tourism authorities of neighbouring coastal provinces including Fujian, Guangdong, Guangxi and Hainan to develop cruise itineraries and joint promotion strategies in overseas markets;
 - uphold Hong Kong's image as a quality tourist city by enhancing the QTS Scheme and the Honest and Quality Tour Scheme for Mainland visitors; and
 - launch mega events with new format to enhance visitors' experience in Hong Kong and to provide a platform for promotion in overseas markets.

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- continue to maintain a high degree of flexibility in its promotional activities and remain responsive to the development of issues that may affect the tourism industry; and
- continue to enhance productivity through continuous work re-engineering, integration and automation.

Programme (8): Public Safety

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	0.5	0.3	0.3 (—)	0.3 (—)

(or same as
2007–08 Original)

For comparison purpose, the figures include relevant provisions for public safety which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

29 The aim is to provide high standards of weather information services for the public and specialised users such as the aviation and shipping community.

Brief Description

30 The Branch's main responsibility under this programme is to formulate policies in relation to weather services.

31 In 2007–08, the Branch oversaw the provision of weather services to the general public as well as the aviation, shipping and other sectors with special requirements.

Matters Requiring Special Attention in 2008–09

32 During 2008–09, the Branch will take measures to further improve weather information services.

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

ANALYSIS OF FINANCIAL PROVISION

Programme	2006-07 (Actual) (\$m)	2007-08 (Original) (\$m)	2007-08 (Revised) (\$m)	2008-09 (Estimate) (\$m)
(1) Director of Bureau's Office.....	6.9	6.7	7.3	12.2
(2) Commerce and Industry	124.7	167.2	135.9	157.6
(3) Subvention: Hong Kong Trade Development Council.....	341.2	350.0	350.0	360.0
(4) Posts, Competition Policy and Consumer Protection.....	10.1	9.9	17.2	13.0
(5) Subvention: Consumer Council.....	62.6	67.5	71.3	72.1
(6) Travel and Tourism.....	48.4	52.8	52.5	82.5
(7) Subvention: Hong Kong Tourism Board.....	665.0	541.8	540.2	482.5
(8) Public Safety	0.5	0.3	0.3	0.3
	<u>1,259.4</u>	<u>1,196.2</u>	<u>1,174.7</u> (-1.8%)	<u>1,180.2</u> (+0.5%)
				(or -1.3% on 2007-08 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2008-09 is \$4.9 million (67.1%) higher than the revised estimate for 2007-08. This is mainly due to the increased provisions for salary and general departmental expenses arising from the creation of one position of Under Secretary and one position of Political Assistant, both under the Political Appointment System, and other related expenses for administrative support. One post will be created in 2008-09.

Programme (2)

Provision for 2008-09 is \$21.7 million (16.0%) higher than the revised estimate for 2007-08. This is mainly due to the increased estimate for the subscription to the WTO, increased salary provision for the creation of five posts and staff changes and increased cash flow requirement for non-recurrent items.

Programme (3)

Provision for 2008-09 is \$10.0 million (2.9%) higher than the revised estimate for 2007-08. The subvention to the HKTDC is determined having regard to the Government's financial position, the HKTDC's funding requirements and by way of reference to 60 per cent of the total amount of trade declaration charges received in the preceding year.

Programme (4)

Provision for 2008-09 is \$4.2 million (24.4%) lower than the revised estimate for 2007-08. This is mainly due to the decreased cash flow requirement for a consultancy study on competition.

Programme (5)

Provision for 2008-09 is \$0.8 million (1.1%) higher than the revised estimate for 2007-08. This is mainly due to the increased requirement for promoting consumer protection for Mainland visitors.

Programme (6)

Provision for 2008-09 is \$30.0 million (57.1%) higher than the revised estimate for 2007-08. This is due to an additional provision of \$30.0 million earmarked in 2008-09 for the HKTDC to raise Hong Kong's MICE profile through global publicity and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Separately, six posts will be created in 2008-09 for the Tourism Commission to address the long-term manpower requirement for implementing tourism projects.

Programme (7)

Provision for 2008-09 is \$57.7 million (10.7%) lower than the revised estimate for 2007-08. This is mainly due to the decreased provision required for project-based tourism promotion initiatives and completion of a non-recurrent project for revamping the website of the HKTDC.

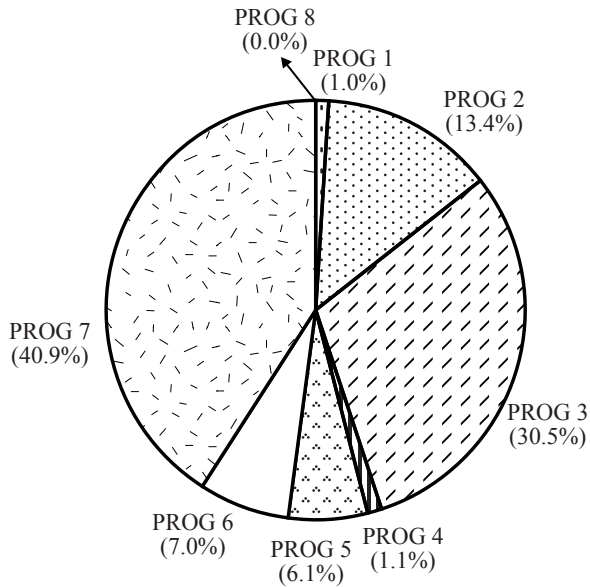
**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Programme (8)

Provision for 2008–09 is the same as the revised estimate for 2007–08.

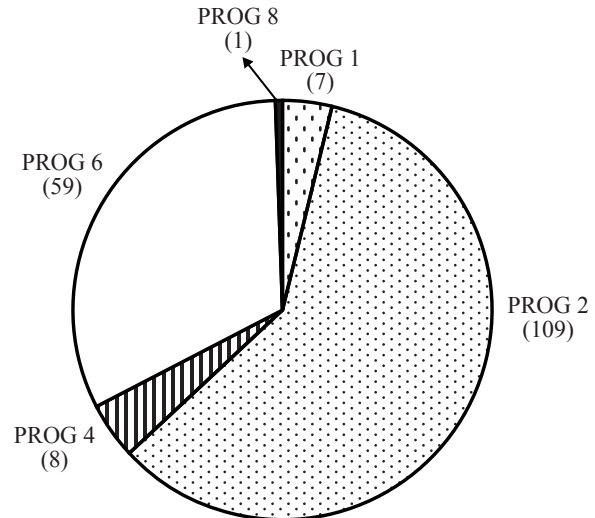
Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Allocation of provision to programmes (2008-09)



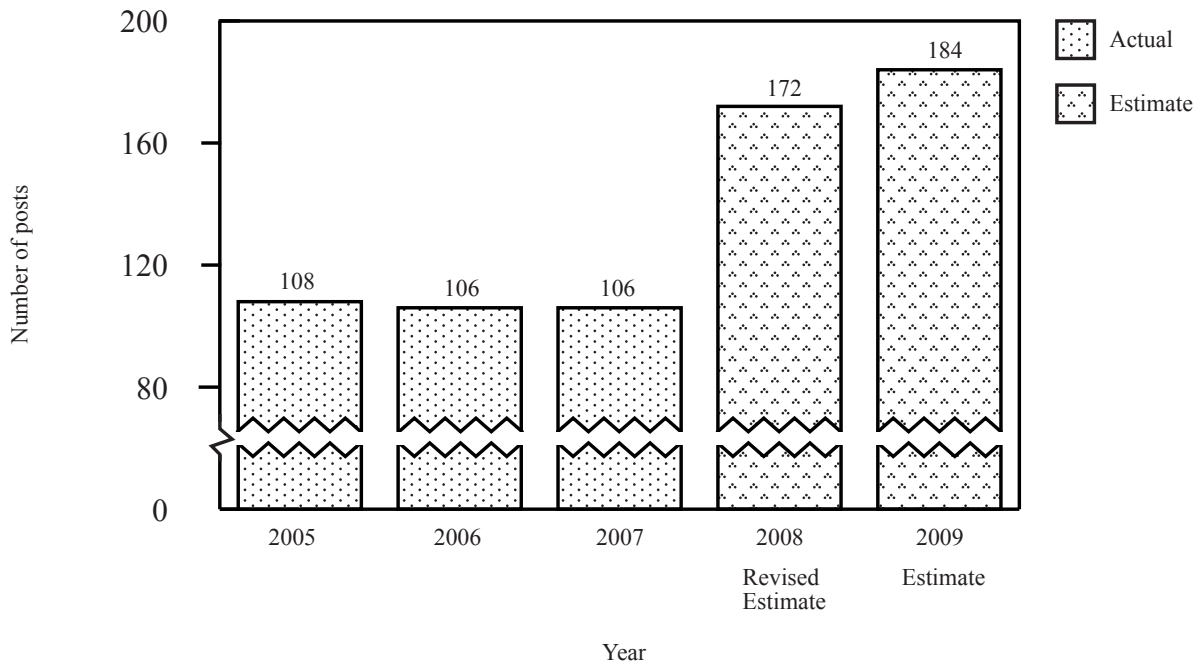
(Provision for PROG 8 represents 0.03% of the overall provision. The percentage is not shown here due to rounding)

Staff by programme (as at 31 March 2009)



(No government staff under PROG 3, 5 & 7)

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



**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Sub-head (Code)	Actual expenditure 2006-07	Approved estimate 2007-08	Revised estimate 2007-08	Estimate 2008-09	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	458,785	508,459	962,977	1,161,060
	Total, Recurrent.....	<u>458,785</u>	<u>508,459</u>	<u>962,977</u>	<u>1,161,060</u>
Non-Recurrent					
700	General non-recurrent.....	14,006	15,464	21,525	17,195
	Total, Non-Recurrent.....	<u>14,006</u>	<u>15,464</u>	<u>21,525</u>	<u>17,195</u>
	Total, Operating Account	472,791	523,923	984,502	1,178,255
Capital Account					
Subventions					
955	Consumer Council	—	—	2,400	1,784
970	Consumer Council (block vote).....	—	—	—	158
	Total, Subventions.....	<u>—</u>	<u>—</u>	<u>2,400</u>	<u>1,942</u>
	Total, Capital Account.....	—	—	2,400	1,942
	Total Expenditure	<u>472,791</u>	<u>523,923</u>	<u>986,902</u>	<u>1,180,197</u>

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$1,180,197,000. This represents an increase of \$193,295,000 over the revised estimate for 2007–08 and of \$707,406,000 over actual expenditure in 2006–07.

Operating Account

Recurrent

2 Provision of \$1,161,060,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch. The increase of \$198,083,000 (20.6%) over the revised estimate for 2007–08 is mainly due to the full-year effect of the provision transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) following the re-organisation of the Government Secretariat with effect from 1 July 2007.

3 The establishment as at 31 March 2008 will be 171 permanent posts and one supernumerary post. It is expected that 12 permanent posts will be created in 2008–09. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$71,227,000.

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

	2006–07 (Actual) (\$'000)	2007–08 (Original) (\$'000)	2007–08 (Revised) (\$'000)	2008–09 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	48,214	51,704	80,507	98,580
- Allowances	2,979	3,190	4,366	4,408
- Job-related allowances	—	4	3	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	86	78	144	144
- Civil Service Provident Fund contribution	133	240	409	693
- Disturbance allowance	—	—	162	201
Departmental Expenses				
- General departmental expenses	30,060	61,633	62,411	99,810
Other Charges				
- Subscription to the World Trade Organization	32,467	38,000	33,300	41,000
Subventions				
- Consumer Council	—	—	47,599	70,128
- Hong Kong - Japan Business Co-operation Committee	3,610	3,610	3,610	3,610
- Hong Kong Tourism Board	—	—	380,466	482,482
- Hong Kong Trade Development Council	341,236	350,000	350,000	360,000
	458,785	508,459	962,977	1,161,060

Capital Account

Subventions

5 Provision of \$158,000 under *Subhead 970 Consumer Council (block vote)* is for the replacement of carpet for the Head Office of the Council.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2007	Revised estimated expenditure for 2007–08	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
012	Professional Services Development Assistance Scheme		100,000	48,405	10,000	41,595
015	Enhancing public awareness of the work of the Competition Policy Advisory Group		500	300	—	200
016	A “Hospitable Hong Kong” Campaign..		22,400	16,073	2,568	3,759
428	Consultancy on cruise terminal facilities development for Hong Kong.....		8,000	3,874	630	3,496
483	Launching campaign of major tourism infrastructure projects.....		8,600	2,978	3,649	1,973
685	Development of Hong Kong’s assessment capabilities for the operation of strategic trade controls ..		4,000	3,530	—	470
894	Consultancy on competition issues in other economies		1,200	771	—	429
			<u>144,700</u>	<u>75,931</u>	<u>16,847</u>	<u>51,922</u>
<i>Capital Account</i>						
955	<i>Consumer Council</i>					
876	Procurement and installation of interactive computer system for Consumer Council.....		4,184	—	2,400	1,784
			<u>4,184</u>	<u>—</u>	<u>2,400</u>	<u>1,784</u>
	Total		<u><u>148,884</u></u>	<u><u>75,931</u></u>	<u><u>19,247</u></u>	<u><u>53,706</u></u>