

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 2011–12	\$1,355.2m
Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 167 non-directorate posts as at 31 March 2011 rising by one post to 168 posts as at 31 March 2012....	\$75.6m
In addition, there will be an estimated 19 directorate posts as at 31 March 2011 and as at 31 March 2012.	
Commitment balance	\$92.8m

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	9.8	11.5	9.7 (–15.7%)	11.6 (+19.6%)
				(or +0.9% on 2010–11 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 her 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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	145.6	150.5	143.6 (–4.6%)	150.7 (+4.9%)
				(or +0.1% on 2010–11 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 Hong Kong's strengths so as to maintain 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; to promote and support Hong Kong's professional services; and to strengthen exchanges and co-operation with Taiwan.

Brief Description

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

- formulate policies on promotion of trade in goods and services;
- institute measures and arrangements to facilitate international trade and gain market access for Hong Kong's products and services;
- foster friendship and understanding between the business communities of Hong Kong and our major markets;
- formulate policies to attract more external direct investment into Hong Kong;
- formulate policies to support SMEs;
- provide support to local businesses operating in the Mainland;
- promote and safeguard market access of Hong Kong's products and services through overseeing Hong Kong's active participation in the multilateral trading system, including seeking further trade liberalisations under the World Trade Organization (WTO);
- foster greater regional co-operation in the Asia-Pacific region through overseeing Hong Kong's active participation in the Asia-Pacific Economic Cooperation (APEC);
- enhance mutually beneficial economic relationship between Hong Kong and the Mainland through CEPA;
- foster closer economic relationship with key trading partners through the conclusion of co-operation and free trade agreements;
- formulate policies on protection of intellectual property rights;
- support the further development of wine-related businesses in Hong Kong; and
- administer the Professional Services Development Assistance Scheme (PSDAS) to help enhance the external competitiveness and standard of Hong Kong's professional services.

6 During 2010–11, the Branch:

- oversaw implementation of measures to strengthen institutional arrangements and support services to foreign enterprises for the promotion of inward investment into Hong Kong;
- oversaw active participation in the work of the WTO including the current round of multilateral trade negotiations;
- oversaw active participation in the APEC including the assessment of the achievement of the goal of free and open trade and investment by industrialised economies and a number of volunteering developing economies including Hong Kong, and achieving closer regional economic integration;
- oversaw the signing of the Closer Economic Partnership Agreement with New Zealand in March 2010, and the negotiation of a Free Trade Agreement with the European Free Trade Association, which comprises Iceland, Liechtenstein, Norway and Switzerland, since its commencement in January 2010;
- continued to oversee discussions with interested trading partners on enhancing bilateral economic co-operation, including the exploration and negotiations of free trade agreements and co-operation arrangements;

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- oversaw efforts in concluding the consultation on further market liberalisation and discussing further development of CEPA with the Mainland, and ensuring the smooth implementation of measures announced;
- maintained close liaison with the Mainland authorities at central and provincial levels, and assisted the trade, through the Task Force to Support the Processing Trade and other channels, to cope with challenges arising from Mainland's new policies and policy adjustments on processing trade;
- continued efforts in promoting and expanding co-operation with Taiwan on trade, investment and tourism fronts;
- completed a review on the Special Loan Guarantee Scheme and announced that the Scheme be extended to 31 December 2010 for the last time;
- continued to work with the Hong Kong Export Credit Insurance Corporation to introduce new measures to assist Hong Kong exporters;
- pursued measures to support the further development of wine-related businesses in Hong Kong, including trade and investment promotion, facilitating the movement of wine imports into the Mainland, manpower training and education, combating counterfeits and collaboration with trading partners;
- prepared legislative amendments to the Copyright Ordinance (Cap. 528) with a view to taking forward the refined proposals for strengthening copyright protection in the digital environment;
- rolled out targeted public education programmes relating to the “business end-user copying and distribution offence” and brought the offence into operation in July 2010;
- 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 better manage and protect their intellectual property rights;
- monitored the progress made by the Customs and Excise Department (C&ED) in encouraging early migration to the electronic Road Cargo System (ROCARS), following the inception of the system in May 2010;
- monitored the delivery of services under the Government Electronic Trading Services, following the appointment of three service providers and commencement of the new contracts in early 2010; and
- managed the PSDAS.

Matters Requiring Special Attention in 2011–12

7 During 2011–12, the Branch will:

- strengthen efforts to promote Hong Kong's stable and business-friendly environment in the Mainland, Taiwan and emerging markets in Russia, India, the Middle East and South America;
- continue to promote a free, open and non-discriminatory multilateral trading system through overseeing the active and constructive participation in the work of the WTO including the current round of multilateral trade negotiations;
- continue to oversee work leading to the APEC goal of free and open trade and investment in the Asia-Pacific region by both industrialised and developing economies;
- continue to oversee the efforts in exploring with interested trading partners possible ways of enhancing bilateral economic co-operation;
- continue to oversee the effective implementation and further development of CEPA;
- 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 opening up new markets;
- enhance efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters;
- continue to oversee collaboration among agencies responsible for promoting trade and inward investment for Hong Kong overseas;
- continue to work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to promote co-operation between major convention and exhibition facilities to achieve better utilisation and closely monitor Hong Kong's long-term demand for additional facilities;
- continue to support the further development of wine-related businesses in Hong Kong;
- continue to monitor and review the operation of the SME Funding Schemes;

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- continue to work with C&ED to ensure smooth migration to ROCARS before November 2011 when the use of the system becomes mandatory;
- seek to introduce the Copyright (Amendment) Bill into the Legislative Council to take forward the various proposals for strengthening copyright protection in the digital environment;
- conduct a public consultation exercise on the review of the Hong Kong patent system; and
- continue to oversee efforts to promote respect for intellectual property rights in the business sector, particularly amongst SMEs.

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	370.8	374.5	374.5 (—)	378.3 (+1.0%)
				(or +1.0% on 2010–11 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 more than 40 offices, including 11 in the Mainland, 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 Design Gallery shops 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 33 Hong Kong business associations in 24 countries.

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

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
trade and services promotion			
events	784	821	830
companies participating	67 599	69 505	71 000
local fairs			
no. of overseas buyers	284 045	343 817	347 300
no. of fairs	34	36	36
business-matching enquiries worldwide			
no. of business enquiries handled	812 883	1 114 000	1 200 000
no. of business connections made	6 652 080	8 612 000	8 700 000

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	2009 (Actual)	2010 (Actual)	2011 (Estimate)
trade publications			
worldwide circulation (million)^.....	1.73	1.68	2.00
no. of issues.....	97	105	106
no. of advertisers on TDC's trade portal (tdctrade.com).....	22 986	27 743	27 990

^ The worldwide circulation figure in 2011 includes print as well as the electronic version.

Matters Requiring Special Attention in 2011–12

11 During 2011–12, the HKTDC will:

- showcase Hong Kong's unique strengths as a bridge between the West and the East; leverage on opportunities for Hong Kong companies in the Mainland consumer market; help Hong Kong service companies target at Mainland's urbanisation process; capitalise on Mainland enterprises' outward investment needs; maximise opportunities for Hong Kong companies in robust emerging economies; expand our services promotions in Taiwan to leverage on improved cross-strait relations; help Hong Kong companies leverage on the opportunities in the silver market which refers to the underdeveloped market segment of senior people; and focus on the potential of green manufacturing and technology;
- champion Hong Kong's role as Asia's central business district for the global economy; build high-profile international events in Hong Kong to promote Hong Kong services; fortify Hong Kong's status as Asia's trade fair capital and the preferred MICE (Meetings, Incentive travels, Conventions and Exhibitions) destination; promote Hong Kong's role as an intellectual property trading platform; reinforce Hong Kong's trendsetting capabilities with lifestyle events; leverage on the opportunities presented by HKTDC's trade portal to integrate its services more closely to improve customer experience; and support Government's initiatives to promote the six new economic areas; and
- sharpen HKTDC's capabilities and develop a comprehensive SME start-up programme to serve and nurture a new breed of SMEs; build closer partnership with SMEs through active outreach programmes; assist SMEs to relocate their manufacturing base beyond the Pearl River Delta; build and sharpen HKTDC's capabilities through database development and facilitate enhanced business matching; and strengthen HKTDC's corporate governance and commitment to corporate social responsibility.

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	9.8	20.7	20.1 (–2.9%)	59.7 (+197.0%)
				(or +188.4% on 2010–11 Original)

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 responsibilities under this programme are to formulate policies and programmes in relation to postal services, the promotion of economic efficiency and free market through competition, and the protection of consumer interests.

14 During 2010–11, the Branch:

- published the annual report of Competition Policy Advisory Group (COMPAG) for the year 2009–10 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- introduced the cross-sector Competition Bill into the Legislative Council on 14 July 2010;
- conducted public consultation on legislation to enhance consumer protection against unfair trade practices;
- reviewed the effectiveness and operation of the Pyramid Selling Prohibition Ordinance (Cap. 355); and
- supported the Consumer Legal Action Fund (CLAF) by injection of additional funding.

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Matters Requiring Special Attention in 2011–12

15 During 2011–12, the Branch will:

- work closely with the Legislative Council in the scrutiny of the Competition Bill and begin preparatory work on the establishment of a Competition Commission and a Competition Tribunal;
- prepare a bill to implement proposals to enhance consumer protection against unfair trade practices;
- prepare a bill to amend the Pyramid Selling Prohibition Ordinance; 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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	78.2	76.7	77.4 (+0.9%)	76.0 (–1.8%)
				(or –0.9% on 2010–11 Original)

Aim

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

Brief Description

17 The Consumer Council (CC) is an independent body established under the Consumer Council Ordinance (Cap. 216). The Council discharges its functions by:

- collecting, receiving and disseminating information concerning goods, services and immovable property;
- examining complaints and giving advice to consumers;
- tendering advice to the Government on ways to enhance consumer protection;
- conducting product tests and research;
- encouraging business and professional associations to establish codes of practice to regulate the activities of their members;
- monitoring trade practices;
- facilitating consumers to seek redress through the use of the CLAF; and
- empowering consumers through education and publicity campaigns.

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

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (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
issuing reply in writing (working days).....	15	15	15	15
handling consumer complaints				
telephone calls answered within three minutes (%).....	80	80	80	80

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	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
in writing				
issuing acknowledgement (working days)φ	2	2	N.A.	N.A.
issuing preliminary reply (working days)φ	7	7	7	7
notifying complainants of results/progress (working days).....	16	16	16	16
publications of 'CHOICE' and release of product testing, research and survey results once per month (%)	100	100	100	100

φ Having regard to the costs and effort required for issuing two correspondences to the complainants within seven days, the Council has combined the two mails into one from 2010. With a new case management system, an initial response with case reference number and case officer's name can normally be sent out to complainant within seven working days upon receipt of case, serving the dual purpose of acknowledgement and preliminary reply.

Indicators#

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
consumer complaints.....	34 114	29 048	33 000
consumer enquiries	119 720	117 071	130 000
product tests	48	42 [^]	42
consumer surveys.....	16	24 [^]	19
in-depth studies	40	40	41
studies of general interest.....	17	17	17
response to consultation from the Government and other public bodies	27	21	18
consumer educational programmes	210	210	210
circulation of publications.....	340 300	339 000	340 000

Two previous indicators, "press interviews and enquiries" and "distribution of pamphlets", have been removed. The former is part of the CC's regular on-going business. The CC will continue to respond to interviews and enquiries whenever they are put to the CC. The latter indicator used to reflect the number of pamphlets distributed in the form of hard copy. As more consumers now browse the CC's publications on-line, the item could no longer reflect fully the CC's performance in disseminating information of interest to consumers.

[^] In 2010, the CC conducted more consumer surveys involving substantial human resources. This led to a diversion of resources and thus the decrease in the number of product tests.

Matters Requiring Special Attention in 2011–12

19 During 2011–12, the CC will:

- continue its price surveillance initiatives to enhance price transparency. The CC will continue to conduct the Weekly Price Survey (covering food items and daily necessities available for sale in supermarkets and other retail outlets) and the Supermarket Price Watch (comparing the prices of some 600 items of online supermarkets or grocery stores);
- forge a closer co-operation with consumer organisations in the Mainland by organising pilot workshops and exchange programmes on complaints and advice, research and testing, as well as consumer education work. The CC will also assist tourists in better understanding Hong Kong's market practices, and speed up the process of complaint handling;
- respond to the Government's proposals on the public consultation on various consumer issues, particularly on legislative proposals to enhance protection for consumers against unfair trade practices, and take appropriate steps in response to the outcome of the public consultation;
- enhance the CC's reach through its websites by making use of Internet tools such as email alerts and share tools, and establishing dedicated web pages on "complaint cases";
- enhance and promote the CC's dedicated "Shopsmart" website for Mainland visitors in Hong Kong;
- work closely with the Consumers International (CI) and the Government on the preparation work for the 19th CI World Congress to be held in Hong Kong in 2011; and
- implement the recommendations arising from a review of the operation of CLAF.

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Programme (6): Travel and Tourism

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	108.1	126.0	107.5 (–14.7%)	163.9 (+52.5%)
				(or +30.1% on 2010–11 Original)

Aim

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

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 During 2010–11, the Branch:

- supported the Travel Industry Council of Hong Kong’s (TIC’s) review on the operation and regulation of the Mainland inbound tour groups and implementation of measures to tackle the problems of “zero/negative reception fees” and improve the regulation of tourist guides;
- continued with the regulation of travel agents and embarked on a review on the existing operation and regulatory framework of the tourism sector;
- continued to monitor and support the Hong Kong Tourism Board’s (HKTB’s) operations;
- supported the HKTB in its promotion of multi-destination itineraries in key source markets and marketing efforts in emerging markets of India, the Middle East and Russia as well as non-Guangdong provinces of the Mainland;
- worked with the HKTB to enhance promotion of Hong Kong as a premier MICE destination and offered support to large-scale MICE events;
- continued to work with the trade, the HKTB, the TIC, the CC and the Mainland authorities to promote honest and quality tourism;
- liaised with relevant Mainland authorities to facilitate the implementation of CEPA and other measures to make it more convenient for Mainland residents to visit Hong Kong;
- continued the development of the new cruise terminal at Kai Tak and worked closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continued to work through the joint venture company to enhance the Hong Kong Disneyland’s operational performance and to monitor the expansion of the Hong Kong Disneyland;
- continued with the housekeeping responsibility for the Ocean Park and facilitated its redevelopment and hotel development projects;
- continued to utilise the Mega Events Fund for supporting large-scale arts, cultural and sports events organised by local non-profit-making bodies;
- 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, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East and development of a piazza in Tsim Sha Tsui;
- co-ordinated with the HKTB and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine;
- worked with the HKTB, the tourism sector and relevant government departments to diversify the green tourism products on offer in Hong Kong, including the Hong Kong National Geopark;
- co-ordinated with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park and Ngong Ping 360; and
- co-ordinated with government departments and relevant bodies on other policy and project initiatives to promote tourism development.

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Matters Requiring Special Attention in 2011–12

23 During 2011–12, the Branch will:

- continue to co-ordinate work on policy and project initiatives to facilitate tourism development;
- continue to support the promotion work of the HKTB in key source markets, and its expanding marketing efforts in emerging markets;
- commence a review on the existing operation and regulatory framework of the tourism sector to promote the healthy and sustainable development of the tourism industry;
- continue to support the HKTB in MICE promotion work;
- continue to 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, cruise and related tourism sectors;
- together with local stakeholders and Mainland tourism authorities, continue to promote honest tourism and hospitality culture to further enhance the quality of Hong Kong's tourism services;
- continue the development of the new cruise terminal at Kai Tak and work closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continue to monitor the implementation of the Hong Kong Disneyland expansion plan to ensure its timely completion;
- continue to work closely with the Ocean Park for the smooth implementation of its redevelopment and hotel development projects with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region;
- continue to attract and support large-scale arts, culture and sports events to be held in Hong Kong through the Mega Events Fund; and
- take forward further enhancement of existing tourist attractions and facilities, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East, and development of a piazza in Tsim Sha Tsui.

Programme (7): Subvention: Hong Kong Tourism Board

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	501.5	499.5	501.0 (+0.3%)	514.5 (+2.7%)
				(or +3.0% on 2010–11 Original)

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 is a statutory body subvented by the Government. The objectives of the HKTB are to:

- endeavour 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 and advise the Government on measures which may further any of the foregoing objectives.

26 Funds invested by the HKTB in promotional activities aim at stimulating the growth in the number of visitors to Hong Kong and maximising 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

	2009 (Actual)	2010 (Revised Estimate) Δ	2011 (Estimate) Δ
visitor arrivals (million)	29.59	36.03	39.64
increase on previous year (%) Ψ	+0.3	+21.8	+10.0
tourism expenditure associated with inbound tourism (\$ billion) \P	162.9	212.6	244.4
increase on previous year (%) Ψ	+3.2	+30.5	+15.0
expenditure per capita overnight visitor (\$) Ω	5,770	6,705	7,217
increase on previous year (%) Ψ	+6.1	+16.2	+7.6
length of stay of overnight visitors (nights) β	3.2	3.6	3.6
satisfaction of overnight visitors (score out of 10) β	8.3	8.3	8.3

Δ 2010 revised estimate and 2011 estimate are subject to changes. Any global or regional economic uncertainties, security threats and health risks may affect the above estimates but cannot be foreseen at this stage.

Ψ 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 2009 was \$37.9 billion. The projections for 2010 and 2011 are \$43.6 billion and \$44.9 billion respectively.

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

β 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 ten-point scale, in which "ten" (maximum score) means "very satisfied" and "one" means "very dissatisfied".

Matters Requiring Special Attention in 2011–12

28 During 2011–12, the HKTb will:

- adopt the following strategies for further driving arrivals growth –
 - continuous marketing efforts including tactical co-operation with overseas trade in long-haul and short-haul key markets;
 - riding on the increase in air capacity and the visa free policy to entice more visits from Russia, targeting Moscow and St. Petersburg; and
 - expanding in emerging markets including stepping up penetration into two new cities (Chennai and Bengaluru) in India and Saudi Arabia in the Middle East, and developing high potential new source markets such as Vietnam and the Netherlands.
- leverage on Hong Kong's positioning as Asia's world city to reinforce the core strengths and destination appeals of Hong Kong to entice travel desire;
- further enhance our destination appeal through enrichment of events organised in Hong Kong by expanding the event scale, duration and publicity value;
- further invest in digital marketing such as DiscoverHongKong.com, mobile platforms and social media to expand consumer engagement and marketing reach to better compete with other regional destinations;
- organise co-operative programmes with leading global and regional TV networks to maximise the publicity of key events and festivals;
- focus on Pan-Pearl River Delta and other high potential Mainland markets (Beijing, Shanghai and Shaanxi) in addition to Macao to accelerate multi-destination itinerary development;
- continue to promote cruise tourism and participate in various cruise industry conferences to promote Hong Kong as a "must-go" cruise destination in the region; and
- generate more business for MICE activities, including –
 - for meetings and incentives, strengthen joint promotion with travel agents for target industries;
 - for conventions, closely engage local organisers to bid for international mega events; and
 - for exhibitions, step up promotion to generate attendance through collaboration with government Economic and Trade Offices as well as relevant government departments and trade bodies.

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Programme (8): Public Safety

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	0.4	0.4	0.5 (+25.0%)	0.5 (—)
				(or +25.0% on 2010–11 Original)

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 During 2010–11, the Branch:

- oversaw the provision of weather services to the general public as well as the aviation, shipping and other sectors with special requirements; and
- worked with the Hong Kong Observatory (HKO) to carry out the necessary consultations and take forward the funding application for the construction of a station for housing a new weather radar for windshear detection.

Matters Requiring Special Attention in 2011–12

32 During 2011–12, the Branch will continue to work with HKO in obtaining funds for the construction of a station for housing a new weather radar for windshear detection.

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

ANALYSIS OF FINANCIAL PROVISION

Programme	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Director of Bureau's Office.....	9.8	11.5	9.7	11.6
(2) Commerce and Industry.....	145.6	150.5	143.6	150.7
(3) Subvention: Hong Kong Trade Development Council.....	370.8	374.5	374.5	378.3
(4) Posts, Competition Policy and Consumer Protection.....	9.8	20.7	20.1	59.7
(5) Subvention: Consumer Council.....	78.2	76.7	77.4	76.0
(6) Travel and Tourism.....	108.1	126.0	107.5	163.9
(7) Subvention: Hong Kong Tourism Board.....	501.5	499.5	501.0	514.5
(8) Public Safety.....	0.4	0.4	0.5	0.5
	<hr/>	<hr/>	<hr/>	<hr/>
	1,224.2	1,259.8	1,234.3 (-2.0%)	1,355.2 (+9.8%)
				(or +7.6% on 2010–11 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2011–12 is \$1.9 million (19.6%) higher than the revised estimate for 2010–11. This is mainly due to the provision required for the creation of one position of Political Assistant.

Programme (2)

Provision for 2011–12 is \$7.1 million (4.9%) higher than the revised estimate for 2010–11. This is mainly due to increased salary provision arising from staff changes and increased cash flow requirement for non-recurrent items.

Programme (3)

Provision for 2011–12 is \$3.8 million (1.0%) higher than the revised estimate for 2010–11. The subvention to the HKTDC is determined having regard to the Government's financial position, HKTDC's funding requirements and by way of reference to a ceiling set at 60 per cent of the total amount of trade declaration charges received in the preceding year.

Programme (4)

Provision for 2011–12 is \$39.6 million (197.0%) higher than the revised estimate for 2010–11. This is mainly due to the provision for the establishment and operation of the Competition Commission should the Competition Bill be enacted within 2011–12, partly offset by a one-off injection of \$10.0 million in 2010–11 into the CLAF. In addition, one post will be deleted in 2011–12.

Programme (5)

Provision for 2011–12 is \$1.4 million (1.8%) lower than the revised estimate for 2010–11. This is mainly due to completion of the procurement and installation of interactive computer system and acquisition of the removable storage device security control system.

Programme (6)

Provision for 2011–12 is \$56.4 million (52.5%) higher than the revised estimate for 2010–11. This is mainly due to the anticipated increase of cash flow requirement for the Mega Events Fund arising from a lower than expected cash flow requirement in 2010–11. In addition, two posts will be created in 2011–12.

Programme (7)

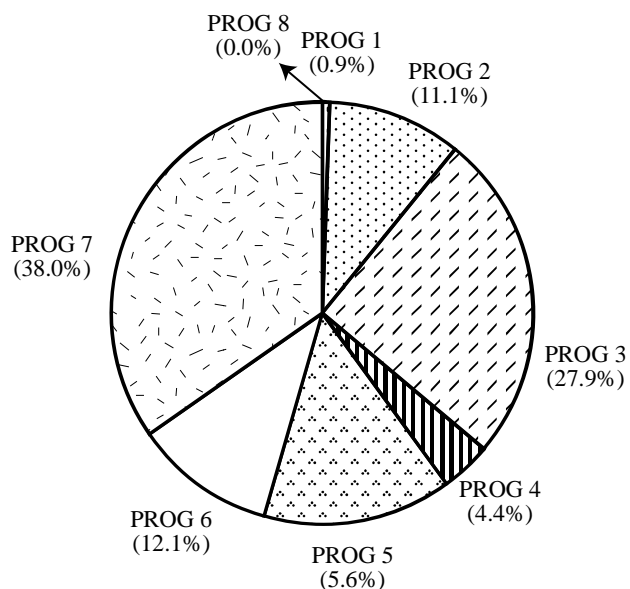
Provision for 2011–12 is \$13.5 million (2.7%) higher than the revised estimate for 2010–11. This is mainly due to the provision required for expanding marketing efforts in emerging markets.

Programme (8)

Provision for 2011–12 is the same as the revised estimate for 2010–11.

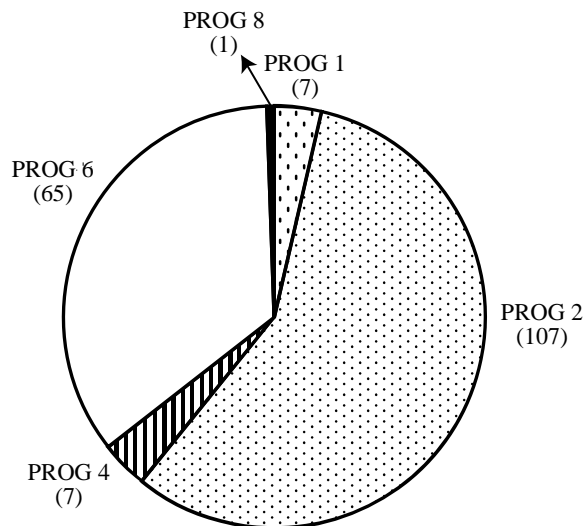
Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Allocation of provision to programmes (2011-12)



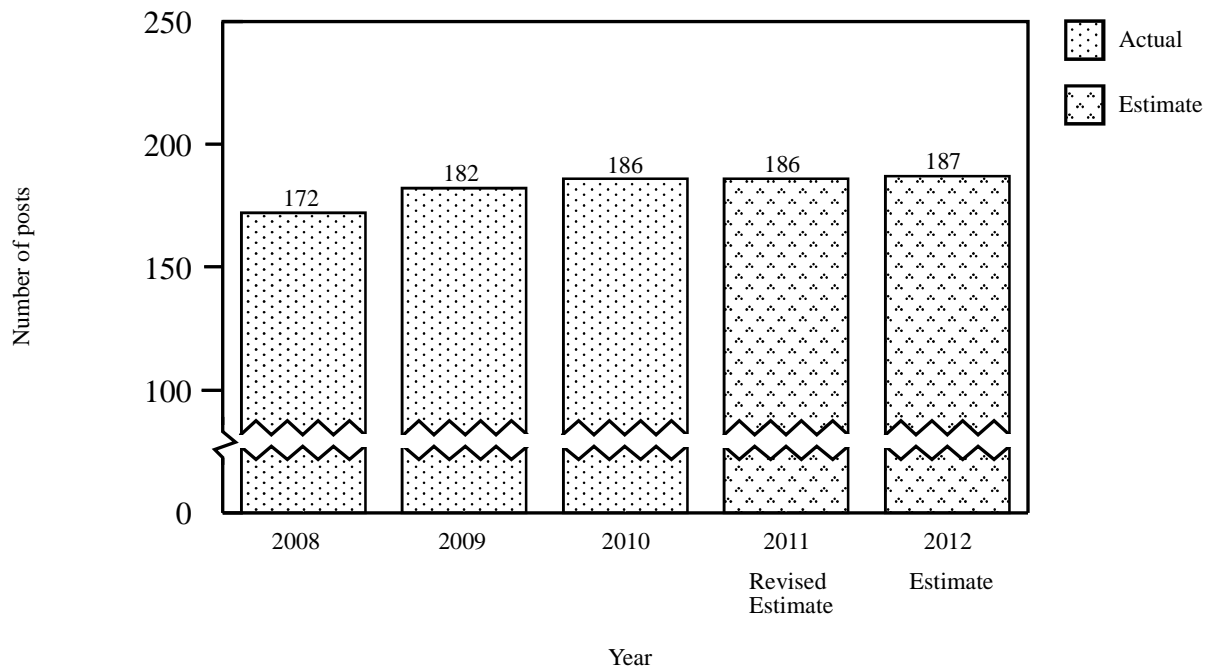
(Provision for PROG 8 represents 0.04% of the overall provision. The percentage is not shown here due to rounding)

Staff by programme (as at 31 March 2012)



(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 2009–10	Approved estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	1,198,366	1,198,000	1,194,517	1,273,929
	Total, Recurrent	<u>1,198,366</u>	<u>1,198,000</u>	<u>1,194,517</u>	<u>1,273,929</u>
Non-Recurrent					
700	General non-recurrent	23,899	60,621	38,461	81,313
	Total, Non-Recurrent	<u>23,899</u>	<u>60,621</u>	<u>38,461</u>	<u>81,313</u>
	Total, Operating Account.....	<u>1,222,265</u>	<u>1,258,621</u>	<u>1,232,978</u>	<u>1,355,242</u>
Capital Account					
Subventions					
	Consumer Council.....	1,952	1,183	1,353	—
	Total, Subventions	<u>1,952</u>	<u>1,183</u>	<u>1,353</u>	<u>—</u>
	Total, Capital Account	<u>1,952</u>	<u>1,183</u>	<u>1,353</u>	<u>—</u>
	Total Expenditure	<u><u>1,224,217</u></u>	<u><u>1,259,804</u></u>	<u><u>1,234,331</u></u>	<u><u>1,355,242</u></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 2011–12 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$1,355,242,000. This represents an increase of \$120,911,000 over the revised estimate for 2010–11 and of \$131,025,000 over actual expenditure in 2009–10.

Operating Account

Recurrent

2 Provision of \$1,273,929,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch.

3 The establishment as at 31 March 2011 will be 185 permanent posts and one supernumerary post. It is expected that there will be a net increase of one post in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$75,612,000.

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

	2009–10 (Actual) (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	102,647	104,609	100,768	108,888
- Allowances	3,858	3,558	4,719	5,366
- Job-related allowances.....	1	4	3	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	227	217	295	114
- Civil Service Provident Fund contribution	994	1,056	868	2,102
- Disturbance allowance.....	—	177	134	178
Departmental Expenses				
- General departmental expenses.....	101,768	94,850	94,004	142,449
Other Charges				
- Subscription to the World Trade Organization	36,694	40,364	38,599	42,459
Subventions				
- Consumer Council	76,251	75,518	76,049	76,049
- Hong Kong - Japan Business Co-operation Committee	3,610	3,610	3,610	3,610
- Hong Kong Tourism Board	501,516	499,529	500,960	514,460
- Hong Kong Trade Development Council	370,800	374,508	374,508	378,250
	<hr/> 1,198,366	<hr/> 1,198,000	<hr/> 1,194,517	<hr/> 1,273,929 <hr/>

**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 31.3.2010	Revised estimated expenditure for 2010–11	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
012	Professional Services Development Assistance Scheme		100,000	76,595	6,000	17,405
016	A “Hospitable Hong Kong” Campaign ..		22,400	21,153	951	296
483	Launching campaign of major tourism infrastructure projects.....		8,600	8,263	—	337
685	Development of Hong Kong’s assessment capabilities for the operation of strategic trade controls ..		4,000	3,530	—	470
862	Mega Events Fund		100,000	6,900	20,000	73,100
945	Consultancy services for providing expert advice on the compliance with client’s requirements and related matters in connection with the implementation of terminal operation and ancillary facilities for a new cruise terminal at Kai Tak		2,740	—	1,510	1,230
	Total		<u>237,740</u>	<u>116,441</u>	<u>28,461</u>	<u>92,838</u>