

Head 96 — GOVERNMENT SECRETARIAT: OVERSEAS ECONOMIC AND TRADE OFFICES

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

Estimate 2012–13..... **\$303.5m**

Establishment ceiling 2012–13 (notional annual mid-point salary value) representing an estimated 131 non-directorate posts as at 31 March 2012 and as at 31 March 2013 **\$72.5m**

In addition, there will be an estimated 18 directorate posts as at 31 March 2012 and as at 31 March 2013.

Controlling Officer's Report

Programmes

<p>Programme (1) Commercial Relations Programme (2) Public Relations Programme (3) Investment Promotion</p>	<p>These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).</p>
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Detail

Programme (1): Commercial Relations

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	140.8	144.4	145.7 (+0.9%)	147.3 (+1.1%)
				(or +2.0% on 2011–12 Original)

Aim

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

Brief Description

3 The overseas Economic and Trade Offices (ETOs) in Brussels, Geneva, Berlin, London, New York, San Francisco, Washington, Singapore, Sydney, Tokyo and Toronto identify, develop and cultivate contacts with host governments, represent Hong Kong at international trade organisations, and maintain liaison with other governments and organisations in order to further Hong Kong's trade and economic interests. They monitor and report on developments which are likely to affect such interests. They lobby and negotiate with their host and other governments on specific trade issues and assist officers from Hong Kong in negotiating trade agreements and in promoting the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement.

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

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
meetings on trade-related matters attended.....	3 614	3 875	3 700
visits to host governments and trade organisations.....	1 250	1 294	1 240
seminars, exhibitions and workshops			
organised.....	186	198	200
participated	743	754	760
public speeches given	397	433	430
media interviews/briefings given	698	665	680
circulars/newsletters/press releases issued.....	832	893	930

Matters Requiring Special Attention in 2012–13

5 During 2012–13, the overseas ETOs will continue to promote Hong Kong's trade and commercial interests, including countering protectionism in Hong Kong's major markets, as well as representing Hong Kong and providing support to the Commerce and Economic Development Bureau and as appropriate, its family of departments on issues of special interests on the bilateral and multilateral fronts.

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Programme (2): Public Relations

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	110.0	106.4	106.2 (–0.2%)	107.4 (+1.1%)
				(or +0.9% on 2011–12 Original)

Aim

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

Brief Description

7 The overseas ETOs monitor and report on reactions to events in Hong Kong. They organise publicity and public relations activities for Hong Kong in the host countries/regions under their purview and provide a comprehensive information and enquiry service about Hong Kong.

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

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
call on senior government officials/organisations.....	1 759	1 762	1 760
public relations functions/events organised.....	739	681	690
participated	1 263	1 293	1 270
newsletters, pamphlets, press releases issued.....	1 205	1 371	1 400
no. of visitors assisted.....	3 020	2 308	2 300
public speeches given	460	460	470
media interviews/briefings given	813	789	800
enquiries handled.....	38 770	38 321	38 000

Matters Requiring Special Attention in 2012–13

9 During 2012–13, the overseas ETOs will continue to sustain and step up publicity and public relations efforts in North America, Europe, Australia, Japan and the Association of Southeast Asian Nations countries. They will also strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity.

Programme (3): Investment Promotion

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	48.3	48.5	48.4 (–0.2%)	48.8 (+0.8%)
				(or +0.6% on 2011–12 Original)

Aim

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

Brief Description

11 In close collaboration with Invest Hong Kong, the overseas ETOs promote the attraction of Hong Kong as an international business centre and provide assistance to ensure that the companies have all the support they need to establish and expand operations in Hong Kong.

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

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
projects pursued.....	639	659	667
projects completed^.....	157	161	163

^ A completed project refers to an investment project resulting in an overseas company setting up or expanding its business in Hong Kong.

Matters Requiring Special Attention in 2012–13

13 During 2012–13, the overseas ETOs, except the Geneva ETO, will continue to work closely with Invest Hong Kong to step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities on the Mainland and elsewhere in Asia.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2010-11 (Actual) (\$m)	2011-12 (Original) (\$m)	2011-12 (Revised) (\$m)	2012-13 (Estimate) (\$m)
(1) Commercial Relations	140.8	144.4	145.7	147.3
(2) Public Relations	110.0	106.4	106.2	107.4
(3) Investment Promotion	48.3	48.5	48.4	48.8
	299.1	299.3	300.3 (+0.3%)	303.5 (+1.1%)
				(or +1.4% on 2011-12 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2012-13 is \$1.6 million (1.1%) higher than the revised estimate for 2011-12. This is mainly due to increased salary for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, partly offset by the completion of cash flow requirement for the setting up cost for the Berlin ETO and decreased cash flow requirement for the replacement of an office car in the London ETO.

Programme (2)

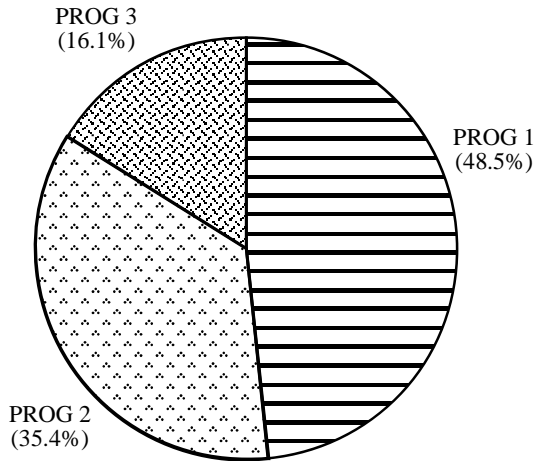
Provision for 2012-13 is \$1.2 million (1.1%) higher than the revised estimate for 2011-12. This is mainly due to increased salary for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, partly offset by the completion of cash flow requirement for the setting up cost for the Berlin ETO.

Programme (3)

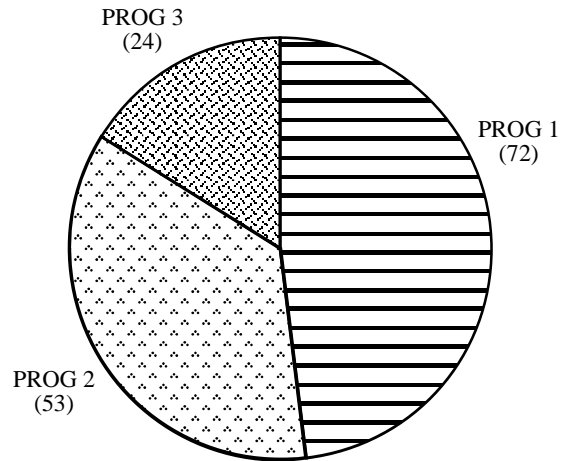
Provision for 2012-13 is \$0.4 million (0.8%) higher than the revised estimate for 2011-12. The reasons that account for the increase under Programme (2) above also apply here.

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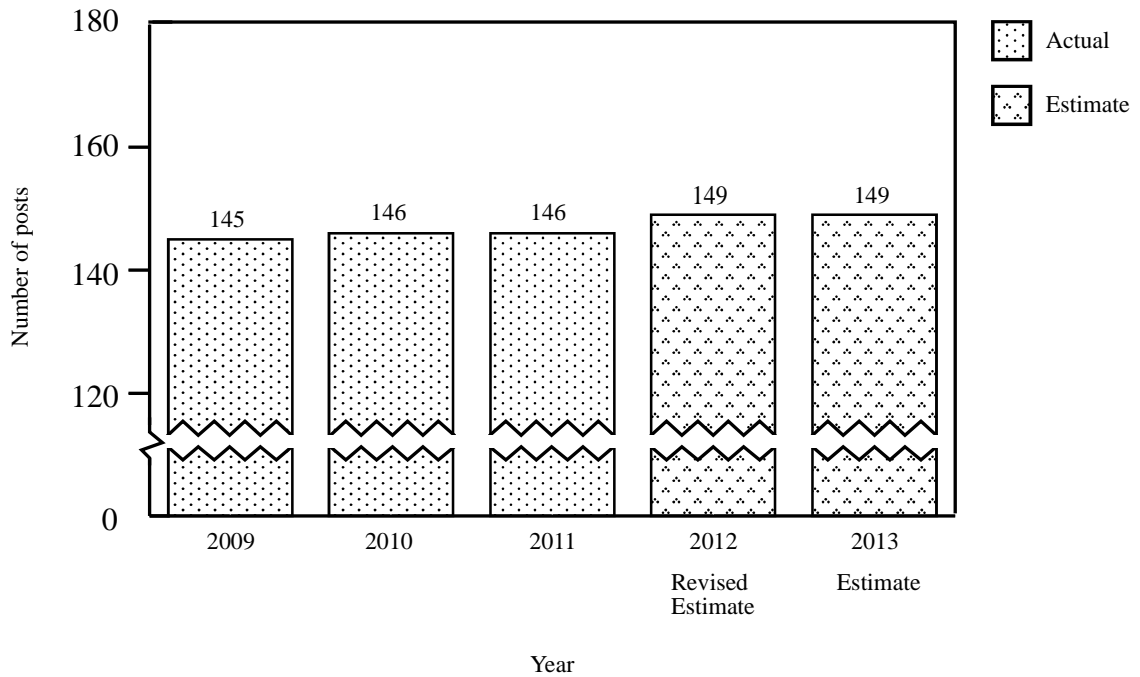
*Allocation of provision
to programmes
(2012-13)*



*Staff by programme
(as at 31 March 2013)*



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



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Sub-head (Code)	Actual expenditure 2010–11	Approved estimate 2011–12	Revised estimate 2011–12	Estimate 2012–13	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	292,497	295,231	297,711	303,129
	Total, Recurrent	<u>292,497</u>	<u>295,231</u>	<u>297,711</u>	<u>303,129</u>
Non-Recurrent					
	General non-recurrent	6,120	3,191	1,770	—
	Total, Non-Recurrent	<u>6,120</u>	<u>3,191</u>	<u>1,770</u>	<u>—</u>
	Total, Operating Account	<u>298,617</u>	<u>298,422</u>	<u>299,481</u>	<u>303,129</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	497	880	780	417
	Total, Plant, Equipment and Works	<u>497</u>	<u>880</u>	<u>780</u>	<u>417</u>
	Total, Capital Account	<u>497</u>	<u>880</u>	<u>780</u>	<u>417</u>
	Total Expenditure	<u><u>299,114</u></u>	<u><u>299,302</u></u>	<u><u>300,261</u></u>	<u><u>303,546</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2012–13 for the salaries and expenses of the overseas Economic and Trade Offices (ETOs) is \$303,546,000. This represents an increase of \$3,285,000 over the revised estimate for 2011–12 and of \$4,432,000 over actual expenditure in 2010–11.

Operating Account

Recurrent

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

Australian Dollar	1=HK\$7.63228
Canadian Dollar	1=HK\$7.53513
Euro	1=HK\$10.53866
Japanese Yen	1=HK\$0.099681
Pound Sterling	1=HK\$12.0825
Singapore Dollar	1=HK\$5.97902
Swiss Franc	1=HK\$8.38004

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

3 Provision of \$303,129,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the overseas ETOs.

4 The establishment as at 31 March 2012 will be 149 permanent posts. Of these posts, 104 are filled by staff engaged locally by the overseas ETOs. No change in establishment is expected in 2012–13. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2012–13, but the notional annual mid-point salary value of all such posts must not exceed \$72,466,000.

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

	2010–11 (Actual) (\$'000)	2011–12 (Original) (\$'000)	2011–12 (Revised) (\$'000)	2012–13 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	99,386	107,813	108,355	114,789
- Allowances	32,764	35,386	40,657	38,728
Personnel Related Expenses				
- Mandatory Provident Fund contribution	8	—	—	—
- Civil Service Provident Fund contribution	1,091	1,255	1,800	1,571
- Disturbance allowance.....	2,036	3,573	3,745	2,233
Departmental Expenses				
- General departmental expenses	114,045	107,448	105,143	106,058
Other Charges				
- Publicity	43,117	39,656	37,951	39,700
- Grants to organisations	50	100	60	50
	292,497	295,231	297,711	303,129

Capital Account

Plant, Equipment and Works

6 Provision of \$417,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$363,000 (46.5%) against the revised estimate for 2011–12. This is mainly due to the decreased cash flow requirement for the replacement of an office car in London ETO.