

Head 96 — GOVERNMENT SECRETARIAT: OVERSEAS OFFICES

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

Estimate 2000–01	\$261.7m
Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 167 non-directorate posts at 31 March 2000 and at 31 March 2001	\$66.2m
In addition there will be an estimated 21 directorate posts at 31 March 2000 and at 31 March 2001.	
Capital Account commitment balance	\$24.4m

Controlling Officer's Report

Programmes

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

Programme (1): Commercial Relations

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	96.4	110.5 (+14.6%)	106.8 (–3.3%)	109.0 (+2.1%)

Aim

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

Brief Description

3 The Hong Kong Economic and Trade Offices (HKETOs) in Geneva, Brussels, London, Washington, New York, San Francisco, Toronto, Tokyo, Singapore and Sydney identify, develop and cultivate contacts with host governments or 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 governments on specific trade issues and assist staff from Hong Kong in negotiating trade agreements.

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

Indicators

	1998 (Actual)	1999 (Actual)	2000 (Estimate)
meetings on trade-related matters attended	2 995	3 172	3 611
visits to foreign governments and trade organisations.....	537	635	632
seminars, exhibitions and workshops			
organised	118	117	119
participated	469	524	565
public speeches given	307	317	329
media interviews/briefings given.....	487	531	540
circulars/newsletters/press releases issued	404	500	506

Matters Requiring Special Attention in 2000–01

5 During 2000–01, the HKETOs will continue to focus on countering protectionism in Hong Kong's major markets and representing Hong Kong, and providing support to the Trade Department, in bilateral and multilateral trade negotiations and consultations overseas.

Programme (2): Public Relations

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	94.0	106.4 (+13.2%)	102.8 (–3.4%)	104.3 (+1.5%)

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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 HKETOs monitor and report on overseas reactions to events in Hong Kong. They organise publicity and public relations activities for Hong Kong in overseas countries and provide a comprehensive information and enquiry service about Hong Kong.

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

Indicators

	1998 (Actual)	1999 (Actual)	2000 (Estimate)
call on senior government officials/organisations.....	1 082	1 412	1 400
public relations functions/events			
organised.....	582	655	605
participated	752	780	837
newsletters, pamphlets, press releases issued.....	1 069	1 189	1 190
number of visitors assisted.....	1 697	1 743	1 830
public speeches given	352	399	409
media interviews/briefings given	805	865	900
enquiries handled	60 748	58 756	60 400

Matters Requiring Special Attention in 2000–01

9 During 2000–01, the HKETOs will continue to focus on sustaining and stepping up publicity and public relations efforts in the United Kingdom, North America, Europe, Japan, ASEAN countries and Australia.

Programme (3): Inward Investment

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	43.8	49.4 (+12.8%)	47.8 (–3.2%)	48.4 (+1.3%)

Aim

10 The aim is to encourage and attract overseas investment in Hong Kong.

Brief Description

11 The Investment Promotion Units of the HKETOs in New York, San Francisco, Toronto, London, Brussels, Tokyo and Sydney promote investments in manufacturing and service industries in Hong Kong by publicising the attraction of Hong Kong as an off-shore manufacturing and business centre and by providing advice and assistance to overseas companies in the formulation and implementation of their plans to invest in Hong Kong.

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

Indicators

	1998 (Actual)	1999 (Actual)	2000 (Estimate)
companies visited to encourage inward investment in the manufacturing and service sectors.....	1 108	1 128	1 210
companies targeted through direct mailing	18 319	21 740	22 450
seminars/presentations			
organised.....	42	42	44
participated	199	176	202
projects handled			
committed	74	57	77
completed.....	91	98	91
public speeches given	71	89	94
media interviews/inward investment briefings given.....	93	87	99

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Matters Requiring Special Attention in 2000-01

13 During 2000-01, the Investment Promotion Units in the overseas offices will continue to work under the direction of the Industry Department to encourage and attract overseas manufacturers and service providers to introduce to Hong Kong, through their investments, new and improved products and services, design processes and management techniques. They will continue to provide assistance to investors interested in establishing a business presence in Hong Kong.

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ANALYSIS OF FINANCIAL PROVISION

Programme	1998-99 (Actual) (\$m)	1999-2000 (Approved) (\$m)	1999-2000 (Revised) (\$m)	2000-01 (Estimate) (\$m)
(1) Commercial Relations.....	96.4	110.5	106.8	109.0
(2) Public Relations	94.0	106.4	102.8	104.3
(3) Inward Investment	43.8	49.4	47.8	48.4
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	234.2	266.3 (+13.7%)	257.4 (-3.3%)	261.7 (+1.7%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2000-01 is \$2.2 million (2.1%) higher than the revised estimate for 1999-2000. This is mainly due to salary increments for existing staff, full-year provision for posts created and filled in 1999-2000, appreciation of local currencies of some of the host countries, and the engagement of consultancy services on commercial relations and non-trade issues in Europe.

Programme (2)

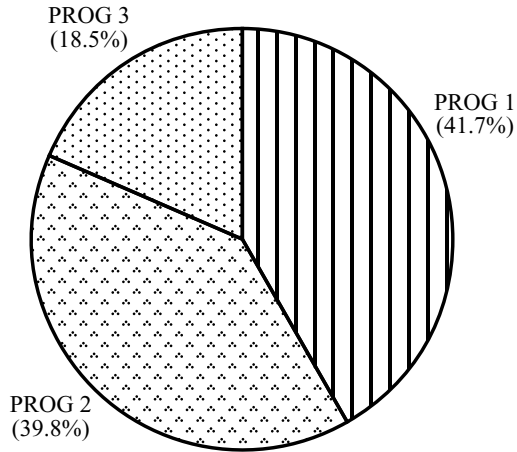
Provision for 2000-01 is \$1.5 million (1.5%) higher than the revised estimate for 1999-2000. This is mainly due to salary increments for existing staff, full-year provision for posts created and filled in 1999-2000, and appreciation of local currencies of some of the host countries.

Programme (3)

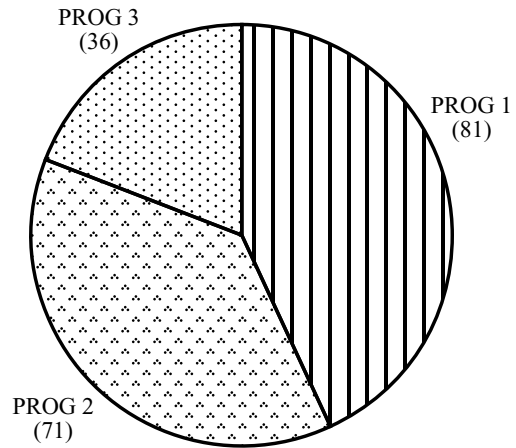
Provision for 2000-01 is \$0.6 million (1.3%) higher than the revised estimate for 1999-2000. The reasons that account for the increase under Programme (2) above also apply here.

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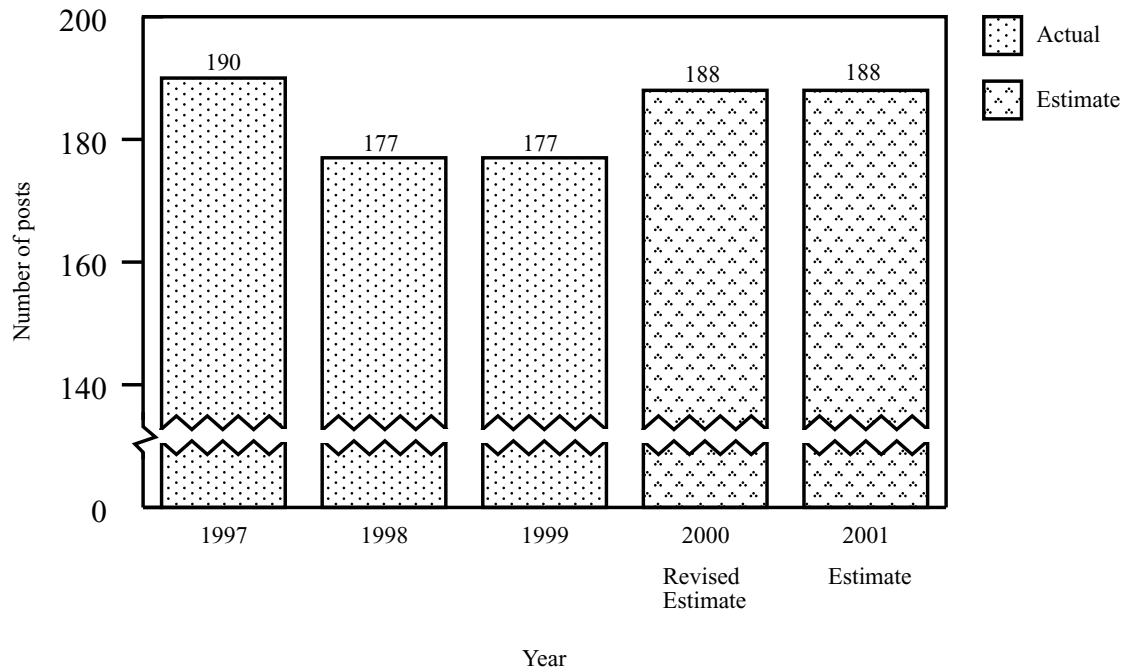
Allocation of provision to programmes (2000-01)



Staff by programme (as at 31 March 2001)



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



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Sub-head (Code)	Actual expenditure 1998–99	Approved estimate 1999–2000	Revised estimate 1999–2000	Estimate 2000–01	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries	88,798	96,121	93,280	95,176
002	Allowances	29,914	35,130	31,644	32,181
	Total, Personal Emoluments	<u>118,712</u>	<u>131,251</u>	<u>124,924</u>	<u>127,357</u>
II — Personnel Related Expenses					
031	Payment to redundant locally engaged staff of the HKETO in London	527	549	549	546
	Total, Personnel Related Expenses	<u>527</u>	<u>549</u>	<u>549</u>	<u>546</u>
III — Departmental Expenses					
149	General departmental expenses	80,140	99,730	97,386	97,872
	Total, Departmental Expenses	<u>80,140</u>	<u>99,730</u>	<u>97,386</u>	<u>97,872</u>
IV — Other Charges					
205	Publicity	13,586	14,953	14,724	14,641
217	Grants to organisations	1	608	608	616
	Total, Other Charges	<u>13,587</u>	<u>15,561</u>	<u>15,332</u>	<u>15,257</u>
	Total, Recurrent Account	<u>212,966</u>	<u>247,091</u>	<u>238,191</u>	<u>241,032</u>
Capital Account					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote)	326	—	—	—
	Total, Plant, Equipment and Works	<u>326</u>	<u>—</u>	<u>—</u>	<u>—</u>
II — Other Non-Recurrent					
700	General other non-recurrent	20,956	19,160	19,160	20,678
	Total, Other Non-Recurrent	<u>20,956</u>	<u>19,160</u>	<u>19,160</u>	<u>20,678</u>
	Total, Capital Account	<u>21,282</u>	<u>19,160</u>	<u>19,160</u>	<u>20,678</u>
	Total Expenditure	<u><u>234,248</u></u>	<u><u>266,251</u></u>	<u><u>257,351</u></u>	<u><u>261,710</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Overseas Offices is \$261,710,000. This represents an increase of \$4,359,000 over the revised estimate for 1999–2000 and of \$27,462,000 on actual expenditure in 1998–99.

2 Certain items of expenditure are incurred in Hong Kong dollars, and these will be charged directly to the appropriate subheads in the amounts incurred. Expenditure in local currency incurred by the seven non-US based offices will be charged to the appropriate subheads at the following exchange rates (the spot rates on 10 December 1999)—

Australian Dollar	1=HK\$4.968
Pound Sterling	1=HK\$12.675
Belgian Franc	1=HK\$0.1986
Japanese Yen	1=HK\$0.07588
Swiss Franc	1=HK\$5.002
Canadian Dollar	1=HK\$5.275
Singapore Dollar	1=HK\$4.645

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

Recurrent Account

Personal Emoluments

3 Provision of \$127,357,000 for personal emoluments represents an increase of \$2,433,000 over the revised estimate for 1999–2000 and takes into account salary increments for existing staff and full-year provision for posts created and filled in 1999–2000.

4 The establishment at 31 March 2000 will be 188 permanent posts. Of the 188 permanent posts, 122 are staff engaged locally by the overseas offices. No change in establishment is expected by 31 March 2001.

5 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2000–01, but the notional annual mid-point salary value of all such posts must not exceed \$66,219,000.

6 Provision of \$32,181,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowances and contributions to pension and medical schemes and insurances, etc—

	Rate
Recruitment and Retention Allowance (for locally engaged staff in London)	up to £1,224 per annum
employer's contributions to occupational pension scheme (for locally engaged staff in London)	1.0% of gross salary
contributions to National Insurance (for locally engaged staff in London)	12.2% (maximum) of gross salary
special allowance (for locally engaged staff in London)	20.0% of basic salary per month; 10.0% of basic salary for locally engaged staff engaged after 20 May 1987
special posting allowance (for Hong Kong based staff in Brussels, Geneva, New York, San Francisco, Tokyo, Washington, Toronto, London, Singapore and Sydney)	rates for individual officers to be reviewed annually in accordance with an approved formula
employer's contributions to local social security schemes, medical and dental insurance schemes, Workman Compensation, Provident Fund Schemes (for locally engaged staff in Brussels, New York, San Francisco, Washington and Singapore)	20.0% of basic salary per month
employer's contributions to pension and medical insurance schemes (for locally engaged staff in Geneva)	15.0% of basic salary per month
employer's contributions to health, pension, Social Security Contribution, Unemployment Insurance Schemes and Workmen's Compensation Insurance Schemes (for locally engaged staff in Tokyo, Toronto and Sydney)	13.0% of basic salary per month

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Personnel Related Expenses

7 Provision of \$546,000 under *Subhead 031 Payment to redundant locally engaged staff of the HKETO in London* is for compensation payments to officers affected by the closure of the Students Centre in 1986 and the re-organisation of the office.

Other Charges

8 Provision of \$14,641,000 under *Subhead 205 Publicity* is for the engagement of public relations consultants, production of fact sheets and newsletters, Hong Kong perception surveys, newspaper clipping service, sponsored visits to Hong Kong and public relations expenses.

9 Provision of \$616,000 under *Subhead 217 Grants to organisations* is for grants, donations and subsidies to international trade and economic organisations and local organisations in various overseas locations. This is to help them towards their running costs, researches and publications, including costs of organising publicity, public relations and cultural activities.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.99	Revised estimated expenditure for 1999–2000	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	585	Business and Hong Kong promotion by HKETO in Brussels	4,500	—	—	4,500
	586	Business and Hong Kong promotion by HKETO in London	3,820	—	—	3,820
	587	Business and Hong Kong promotion by HKETO in New York	2,500	—	—	2,500
	588	Business and Hong Kong promotion by HKETO in San Francisco	1,130	—	—	1,130
	589	Business and Hong Kong promotion by HKETO in Toronto	1,980	—	—	1,980
	590	Business and Hong Kong promotion by HKETO in Sydney	2,100	—	—	2,100
	591	Business and Hong Kong promotion by HKETO in Singapore	1,680	—	—	1,680
	592	Business and Hong Kong promotion by HKETO in Tokyo	2,290	—	—	2,290
	593	Consultancy services on commercial relations and non-trade issues in Europe	4,428	—	—	4,428
		Total	<u>24,428</u>	<u>—</u>	<u>—</u>	<u>24,428</u>