

Head 152 — GOVERNMENT SECRETARIAT: TRADE AND INDUSTRY BUREAU

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

Estimate 2000–01 **\$97.4m**

Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 114 non-directorate posts at 31 March 2000 rising by 17 posts to 131 posts at 31 March 2001 **\$49.5m**

In addition there will be an estimated 14 directorate posts at 31 March 2000 rising by one post to 15 posts at 31 March 2001.

Capital Account commitment balance **\$13.4m**

Controlling Officer's Report

Programme

Trade and Industry

This programme contributes to Policy Area 6: Trade and Industry (Secretary for Trade and Industry).

Detail

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	70.4	84.9 (+20.6%)	82.9 (–2.4%)	97.4 (+17.5%)

Aim

2 The aim is to encourage Hong Kong's trading partners to remove barriers to trade, promote international business confidence in Hong Kong and facilitate business transactions; to promote the further development and increase the competitiveness of service and manufacturing industries through moving into higher value-added and technology intensive production; to encourage overseas companies to set up manufacturing and service centres in Hong Kong; to develop a sound intellectual property protection regime consistent with internationally accepted arrangements; to protect and promote the interests of consumers and to promote competition.

Brief Description

3 The Trade and Industry Bureau's main responsibilities under this programme are to:

- formulate government policies on trade promotion;
- formulate negotiating positions and participate in international trade negotiations;
- promote Hong Kong's trading and commercial interests overseas and in international and regional organisations;
- institute measures and arrangements to facilitate international trade;
- formulate government policies to promote economic efficiency and free trade through competition;
- formulate and implement policies to support the further development of the manufacturing and service sectors and to promote inward investment and technology development; and
- formulate government policies to protect and promote consumer interests.

4 During 1999–2000, the Bureau:

- participated actively in pressing for the unconditional renewal of China's Normal Trade Relations (NTR) (formerly known as Most Favoured Nation) status in the USA;
- worked with the Hong Kong Trade Development Council to further develop and promote Hong Kong as an international trading centre of the region;
- played an active and constructive role in launching a new round of multilateral trade negotiations under the World Trade Organisation (WTO);
- 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;
- worked with the Hong Kong Export Credit Insurance Corporation in providing support to the local export community;
- assumed chairmanship of the Pacific Economic Cooperation Council (PECC) for 1999–2001;
- completed Stage One of the Business Park Consultancy Study;

Head 152 — GOVERNMENT SECRETARIAT: TRADE AND INDUSTRY BUREAU

- worked with the Provisional Hong Kong Science Park Company Ltd to take forward the Science Park project;
- worked with the Hong Kong Industrial Estates Corporation in reviewing its role in serving the manufacturing and service industries;
- established a \$5 billion Innovation and Technology Fund to finance projects that will contribute to innovation and technological upgrading of our manufacturing and service industries;
- planned for the establishment of the Applied Science and Technology Research Institute;
- reviewed and improved the operations of the Special Finance Scheme for small and medium enterprises;
- serviced the Chief Executive's Commission on Innovation and Technology (CIT) which advised the Chief Executive on the measures needed to make Hong Kong a centre of innovation and technology for the region;
- introduced additional legislative amendments to further enhance protection of intellectual property rights;
- introduced the Trade Marks Bill to modernise our trade marks regime;
- started the drafting of the proposed legislation on civil liability for unsafe products;
- expanded the Community Electronic Trading Service to include applications for certificates of origin; and
- secured funds to develop the computer systems to include cargo manifests and dutiable commodities permits in the Community Electronic Trading Service.

Matters Requiring Special Attention in 2000–01

5 During 2000–01, the Bureau will:

- continue to develop Hong Kong's trade and industry on the basis of a free market economy;
- press for the grant of permanent NTR status to China in the USA to remove uncertainty to Hong Kong trade;
- introduce a Chemical Weapons (Convention) Bill to implement fully the Chemical Weapons Convention;
- continue to promote a free, open, stable and non-discriminatory multilateral trading system through the WTO and to participate actively and constructively in a new round of multilateral trade negotiations under the WTO;
- continue to work towards the APEC goal of free trade and investment in the Asia Pacific region by 2020;
- participate actively and constructively in PECC activities to demonstrate Hong Kong's commitment as PECC Chair for 1999–2001;
- assist the Competition Policy Advisory Group in reviewing policies and practices to ascertain the extent to which competition can be enhanced in different sectors;
- continue to help manufacturers and service providers remain competitive by providing infrastructural and other support services;
- take forward the proposals to set up a science park, a fourth industrial estate and the Applied Science and Technology Research Institute;
- continue to monitor and review the operation of the Special Finance Scheme for small and medium enterprises;
- work with the Legislative Council to process the Trade Marks Bill;
- participate in a review of our intellectual property laws, pursuant to our obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights;
- consult the Legislative Council on the proposed legislation on civil liability for unsafe products;
- introduce multiple safety standards for two categories of children's products under the Toys and Children's Products Safety Ordinance;
- ensure that the Community Electronic Trading Service for cargo manifests and dutiable commodities is available by 2001; and
- continue to implement the recommendations of the CIT.

Head 152 — GOVERNMENT SECRETARIAT: TRADE AND INDUSTRY BUREAU

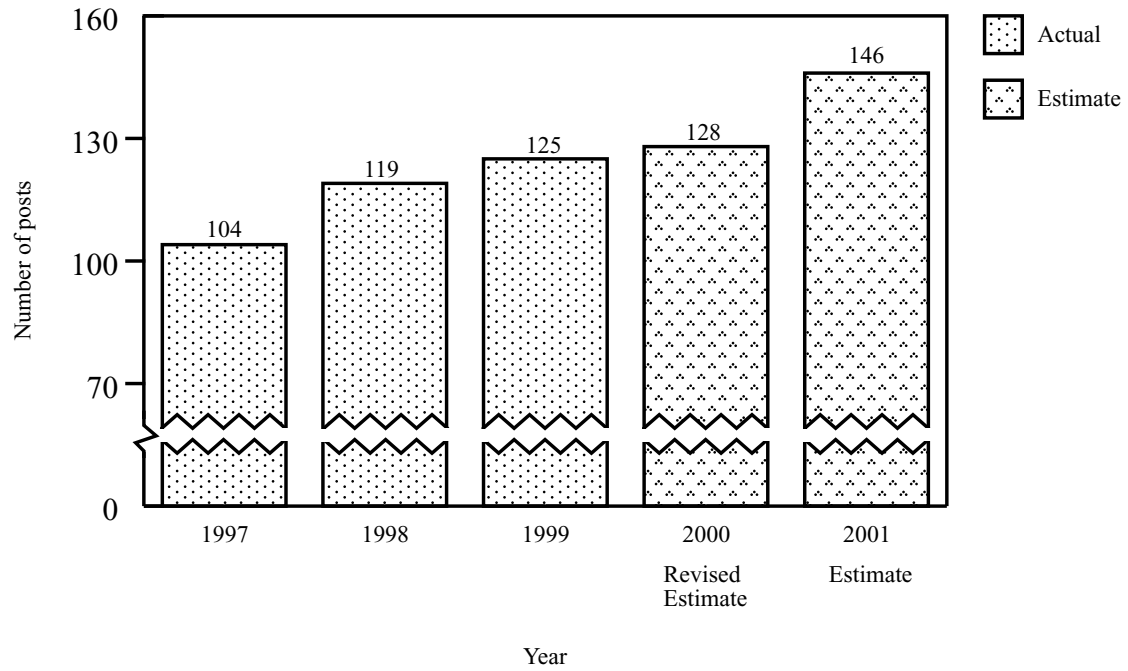
ANALYSIS OF FINANCIAL PROVISION

Programme	1998-99 (Actual) (\$m)	1999-2000 (Approved) (\$m)	1999-2000 (Revised) (\$m)	2000-01 (Estimate) (\$m)
Trade and Industry.....	70.4	84.9 (+20.6%)	82.9 (-2.4 %)	97.4 (+17.5%)

Analysis of Financial and Staffing Provision

Provision for 2000-01 is \$14.5 million (17.5%) higher than the revised estimate for 1999-2000. The increase is mainly due to salary increments for existing staff, provision for the creation of a net 18 posts and the related expenditure for the implementation of the recommendations of the CIT on an ongoing basis and for the organisation of the Fourteenth General Meeting of the Pacific Economic Cooperation Council and related meetings, and the contribution to the Advisory Centre on WTO Law, partly offset by the phasing out of ad hoc resources to support the work of the CIT.

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



Head 152 — GOVERNMENT SECRETARIAT: TRADE AND INDUSTRY BUREAU

Sub-head (Code)		Actual expenditure 1998-99	Approved estimate 1999-2000	Revised estimate 1999-2000	Estimate 2000-01
	\$'000	\$'000	\$'000	\$'000	\$'000
Recurrent Account					
I — Personal Emoluments					
001	Salaries	52,377	56,819	55,319	64,034
002	Allowances	5,221	4,985	4,985	5,020
003	Recoverable salaries and allowances 1,796				
	<i>Deduct</i> reimbursements..... <i>Cr. 1,796</i>	—	—	—	—
007	Job-related allowances	6	10	7	7
	Total, Personal Emoluments	<u>57,604</u>	<u>61,814</u>	<u>60,311</u>	<u>69,061</u>
III — Departmental Expenses					
110	Honoraria for members of committees.....	—	—	—	543
149	General departmental expenses	11,921	21,574	20,730	22,167
	Total, Departmental Expenses	<u>11,921</u>	<u>21,574</u>	<u>20,730</u>	<u>22,710</u>
IV — Other Charges					
183	Subscription to the Asia-Pacific Economic Cooperation	713	900	750	750
293	Subscription to the Pacific Economic Cooperation Council.....	121	150	150	150
	Total, Other Charges	<u>834</u>	<u>1,050</u>	<u>900</u>	<u>900</u>
	Total, Recurrent Account	<u>70,359</u>	<u>84,438</u>	<u>81,941</u>	<u>92,671</u>
Capital Account					
II — Other Non-Recurrent					
700	General other non-recurrent	—	500	1,000	4,704
	Total, Other Non-Recurrent	<u>—</u>	<u>500</u>	<u>1,000</u>	<u>4,704</u>
	Total, Capital Account	<u>—</u>	<u>500</u>	<u>1,000</u>	<u>4,704</u>
	Total Expenditure	<u><u>70,359</u></u>	<u><u>84,938</u></u>	<u><u>82,941</u></u>	<u><u>97,375</u></u>

Head 152 — GOVERNMENT SECRETARIAT: TRADE AND INDUSTRY BUREAU

Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Trade and Industry Bureau is \$97,375,000. This represents an increase of \$14,434,000 over the revised estimate for 1999–2000 and of \$27,016,000 on actual expenditure in 1998–99.

Recurrent Account

Personal Emoluments

2 Provision of \$69,061,000 for personal emoluments represents an increase of \$8,750,000 over the revised estimate for 1999–2000 and takes into account new posts likely to be created in 2000–01, salary increments for existing staff and the full-year provision for posts created in 1999–2000.

3 The establishment of the Bureau at 31 March 2000 will be 126 permanent posts and two supernumerary posts. It is expected that a net 18 posts will be created in 2000–01.

4 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 \$49,480,000.

5 Provision of \$5,020,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowances—

	<i>Rate</i>		
	rates for individual officers to be reviewed annually in accordance with an approved formula		
	<i>Rank</i>	<i>Master Pay Scale point</i>	<i>Rate per month</i> [†] \$
special posting allowance			
consolidated overtime allowance for Chauffeur grade	Chauffeur	6 7 8 9 10	5,570 5,940 6,330 6,740 7,145

† These rates are payable for the first 1–100 hours overtime per month. Overtime performed in excess of 100 hours will be compensated at 1% of the monthly rate per hour.

6 Provision of \$1,796,000 under *Subhead 003 Recoverable salaries and allowances* is for salaries and allowances of a civil servant seconded to work in the Hong Kong Industrial Estates Corporation (HKIEC). Expenditure under this subhead will be reimbursed by the HKIEC and must not be exceeded without the prior approval of the Secretary for the Treasury.

7 Provision of \$7,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

Departmental Expenses

8 Provision of \$543,000 under *Subhead 110 Honoraria for members of committees* includes remuneration and fees payable to the Chairman, Deputy Chairmen and members of the Review Body on Bid Challenges, and honoraria payable to Chairmen, Deputy Chairmen and members of the Appeal Boards under the Consumer Goods Safety Ordinance, the Toys and Children's Products Safety Ordinance and the Copyright Ordinance.

9 Provision of \$22,167,000 under *Subhead 149 General departmental expenses* represents an increase of \$1,437,000 (6.9%) over the revised estimate for 1999–2000. This is mainly due to additional provision required for the implementation of the recommendations of the Chief Executive's Commission on Innovation and Technology (CIT).

Other Charges

10 Provision of \$750,000 under *Subhead 183 Subscription to the Asia-Pacific Economic Cooperation* is to meet Hong Kong's contribution to the Asia-Pacific Economic Cooperation.

11 Provision of \$150,000 under *Subhead 293 Subscription to the Pacific Economic Cooperation Council* is to meet Hong Kong's contribution to the Pacific Economic Cooperation Council.

Head 152 — GOVERNMENT SECRETARIAT: TRADE AND INDUSTRY BUREAU

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>				
	005	Contribution to the Advisory Centre on World Trade Organisation Law	2,340	—	—	2,340
	006	The Fourteenth General Meeting of the Pacific Economic Cooperation Council and related meetings	9,735	—	—	9,735
	685	Development of Hong Kong's assessment capabilities for the operation of strategic trade controls ...	4,000	2,186	500	1,314
		Total.....	16,075	2,186	500	13,389