

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 2010–11 **\$1,259.8m**

Establishment ceiling 2010–11 (notional annual mid-point salary value) representing an estimated 169 non-directorate posts as at 31 March 2010 reducing by two posts to 167 posts as at 31 March 2011..... **\$74.8m**

In addition, there will be an estimated 19 directorate posts as at 31 March 2010 and as at 31 March 2011.

Commitment balance..... **\$117.3m**

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

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	9.6	12.1	9.8 (–19.0%)	11.5 (+17.3%)
				(or –5.0% on 2009–10 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

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	137.2	155.7	146.1 (–6.2%)	150.5 (+3.0%)
				(or –3.3% on 2009–10 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 to Hong Kong;
- formulate policies to support SMEs;
- provide support to local businesses operating in the Mainland;
- promote and safeguard the market access of Hong Kong's products and services through overseeing the active participation in the multilateral trading system including further trade liberalisations under the World Trade Organization (WTO);
- foster greater regional co-operation in the Asia-Pacific region through overseeing the active participation in the Asia-Pacific Economic Cooperation (APEC);
- enhance the mutually beneficial economic relationship between Hong Kong and the Mainland through the CEPA;
- foster closer economic relationship with key trading partners through 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 professional services.

6 During 2009–10, the Branch:

- completed the consultancy study on investment promotion in Hong Kong and oversaw the gradual implementation workplan for the recommendations;
- oversaw active participation in the work of the WTO including the current round of multilateral trade negotiations, and participated in the Seventh WTO Ministerial Conference held in Geneva from 30 November to 2 December 2009;
- oversaw active participation in the APEC for the implementation of action plans to achieve the goal of free and open trade and investment in the Asia-Pacific region in two phases by the year 2010 for industrialised economies and 2020 for developing economies, and to achieve closer regional economic integration;
- oversaw efforts in concluding consultations with the Mainland on further market liberalisation under the CEPA, and in ensuring the smooth implementation of measures announced;

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- oversaw the conclusion of the negotiations on a Closer Economic Partnership Agreement with New Zealand in November 2009, and discussions with interested trading partners on enhancing bilateral economic co-operation, including the exploration and negotiations of free trade agreements and co-operation arrangements;
- 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;
- implemented the enhancement measures for the SME Funding Schemes and the Special Loan Guarantee Scheme;
- oversaw enhancement measures introduced by the Hong Kong Export Credit Insurance Corporation;
- 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, introduction of a certification scheme for wine storage facilities, manpower training and education, combating counterfeits, and collaboration with trading partners;
- released the Government's refined proposals to strengthen copyright protection in the digital environment, and engaged stakeholders through a tripartite forum for online service providers, copyright owners and users to explore ways to effectively combat online piracy;
- enacted the Copyright (Amendment) Ordinance 2009 which sets out the numeric limits within which the "business end-user copying/distribution offence" (section 119B(1)) in the Copyright Ordinance will not apply;
- 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;
- enacted subsidiary legislation clearing the way for launching the Road Cargo System in early 2010, in close liaison with stakeholders in the logistics industry;
- worked together with the three service providers appointed to deliver Government Electronic Trading Services (GETS) from 2010 to 2016, with a view to ensuring smooth inauguration of enhanced services under the new contracts; and
- managed the PSDAS.

Matters Requiring Special Attention in 2010–11

7 During 2010–11, the Branch will:

- oversee efforts to promote Hong Kong's stable and business-friendly environment in the Mainland, Taiwan and the emerging markets;
- 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 in two phases, by the year 2010 and 2020;
- continue to oversee the effective implementation of the CEPA, including measures for early and pilot implementation in Guangdong, and to seek to conclude more market liberalisation and trade facilitation measures;
- continue to oversee the efforts in exploring with interested trading partners possible means of enhancing bilateral economic co-operation;
- 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;
- continue to oversee collaboration among agencies responsible for promoting Hong Kong overseas in developing strategies for city branding and publicity;
- continue to work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to monitor the long-term demand for convention and exhibition facilities in Hong Kong and plan for the provision of additional quality facilities when needed;
- 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 and the Special Loan Guarantee Scheme;

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- work together with the Customs and Excise Department to encourage early migration to the new Road Cargo System, following its inception in early 2010;
- monitor the delivery of GETS services under the new contracts commencing in 2010;
- take forward various proposals for strengthening copyright protection in the digital environment and prepare the relevant amendment bill;
- roll out targeted public education programmes related to the “business end-user copying/distribution offence” before bringing the offence into operation; 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

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	360.0	370.8	370.8 (—)	374.5 (+1.0%)
				(or +1.0% on 2009–10 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

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
trade and services promotion			
events.....	725	784	774
companies participating.....	66 398	67 599	70 444
local fairs			
no. of overseas buyers	288 521	284 045	309 413
no. of fairs	33	34	35
business-matching enquiries worldwide			
no. of business enquiries handled.....	382 866	812 883#	832 560#
no. of business connections made.....	2 892 571	6 652 080#	6 805 250#
trade publications			
worldwide circulation (million).....	1.69	1.73	1.73
no. of issues.....	88	97	98

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	2008 (Actual)	2009 (Actual)	2010 (Estimate)
no. of advertisers on TDC's trade portal (tdctrade.com)	19 664	22 986	24 000

HKTDC has stepped up its marketing efforts in promoting the hktcd.com's free sourcing service to buyers at HKTDC's trade fairs. More buyers used this service as they become more familiar with it and its advantages.

Matters Requiring Special Attention in 2010–11

11 During 2010–11, the HKTDC will:

- strengthen Hong Kong's role as Asia's international business platform; promote Hong Kong as the regional business services hub; enhance the international elements of Hong Kong's trade fair portfolio; broaden the coverage and strengthen the value of HKTDC's e-marketplace for SMEs; strengthen Hong Kong's role as a technology trading and marketing platform; and continue to plan for Hong Kong Convention and Exhibition Centre Phase 3;
- champion Hong Kong's service and manufacturing companies' quality, creativity and sophistication; implement a holistic strategy to deepen our penetration in the Mainland domestic market; take advantage of Hong Kong's integration with the Pearl River Delta and the CEPA liberalisation measures for pilot implementation measures in the Guangdong Province; assist Hong Kong companies to explore new opportunities in niche sectors; highlight a favourable and green image of Hong Kong products; promote Hong Kong as a regional lifestyle trendsetter; and support the Government's initiatives to promote the development of the six industries recommended by the Task Force on Economic Challenges; and
- enhance HKTDC's value as an active resource centre and partner of SMEs in meeting tomorrow's challenges; assist SMEs to acquire a first mover advantage in the global economic recovery; intensify promotional efforts in emerging markets; leverage on the improved cross-strait relationship to promote Hong Kong as an ideal platform for doing business with the Mainland; provide practical market information to assist Hong Kong SMEs; enhance corporate marketing and outreach to reinforce HKTDC's image; enhance HKTDC's professionalism and realigning resources to better serve customers; and revamp HKTDC's database infrastructure to improve efficiency and customer-friendliness.

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

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	10.8	10.4	11.1 (+6.7%)	20.7 (+86.5%)
				(or +99.0% on 2009–10 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 trade through competition, and the protection of consumer interests.

14 During 2009–10, the Branch:

- published the annual report of Competition Policy Advisory Group (COMPAG) for the year 2008–09 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- continued to prepare the cross-sector competition bill;
- continued with the review of consumer protection legislation to prohibit unfair trade practices;
- reviewed the safety standards applicable to toys and children's products and introduced the Toys and Children's Products Safety (Amendment) Bill 2009; and
- initiated a review of the Pyramid Selling Prohibition Ordinance.

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Matters Requiring Special Attention in 2010–11

15 During 2010–11, the Branch will:

- seek to introduce the Competition Bill into the Legislative Council;
- conduct public consultation on proposals to enhance consumer protection;
- continue with the review of the Pyramid Selling Prohibition Ordinance;
- continue to support the Consumer Legal Action Fund (CLAF); 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

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	76.8	77.2	78.4 (+1.6%)	76.7 (–2.2%)
				(or –0.6% on 2009–10 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. 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	2008 (Actual)	2009 (Actual)	2010 (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	2008 (Actual)	2009 (Actual)	2010 (Plan)
in writing				
issuing acknowledgement (working days)φ	2	2	2	N.A.
issuing preliminary reply (working days)φ	7	9	7	7
notifying complainants of results/progress (working days).....	16	19	16	16
publications of 'CHOICE' and release of product testing, research and survey results once per month (%).....	100	100	100	100

φ The Council has reviewed the two items and, having regard to the costs and effort needed to issue two correspondences to the complainants within seven days, proposes to combine the two mails into one. 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

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
consumer complaints	42 050Δ	34 114	35 000
consumer enquiries	130 585	119 720	130 000
product tests	41	48^	45^
consumer surveys	19	16	18
in-depth studies	52	40^	41^
studies of general interest	15	17^	17^
response to consultation from the Government and other public bodies	23	27	25
consumer educational programmes	207	210	210
press interviews and enquiries	5 300	5 200	5 200
circulation of publications	368 000	340 300	350 000
distribution of pamphlets	9 764	3 003#	3 000#

Δ There was a sharp increase in consumer complaints in 2008 due to the Lehman Brothers incident.

^ The Council has conducted more product tests and studies of general interest and they involve substantial human resources. This has led to a diversion of resources thus the decrease in the number of in-depth studies.

The number of pamphlets distributed by the Council has decreased as consumers can now download pamphlets from the Council's website. More and more consumers prefer to get information online rather than get pamphlets in-person from the Consumer Advice Centres.

Matters Requiring Special Attention in 2010–11

19 During 2010–11, the Council will:

- continue its price surveillance initiatives to enhance price transparency. The Council will continue to conduct the Weekly Price Survey (covering some 40 food items and daily necessities available for sale in supermarkets and other retail outlets), the Wet Market Survey (covering a basket of fresh produce in wet markets) and the Internet Price Watch (comparing the prices of some 600 items in four online supermarkets or grocery stores);
- review the CLAF with a view to identifying areas for further improvements;
- work closely with the Consumers International (CI) and Government on the preparation work for the 19th CI World Congress to be held in Hong Kong in 2011;
- forge closer co-operation with consumer organisations in the Mainland so as to enable Mainland tourists to gain a better understanding of Hong Kong's market practices, speed up the process of complaints handling and enhance consumer protection through the exchange of views and experience; and
- enhance and promote the Council's dedicated "Shopsmart" website for Mainland visitors in Hong Kong.

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Programme (6): Travel and Tourism

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	112.8	92.3	114.0 (+23.5%)	126.0 (+10.5%)
				(or +36.5% on 2009–10 Original)

Aim

20 The aim is to maintain Hong Kong's position as the 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 2009–10, the Branch:

- continued to monitor and support the Hong Kong Tourism Board's (HKTB's) operations;
- continued to work with the trade, the HKTB, the Travel Industry Council of Hong Kong (TIC), the CC and the Mainland authorities to promote honest and quality tourism;
- devised support measures to help travel agents tide over the challenges brought about by the financial tsunami and the human swine flu;
- liaised with relevant Mainland authorities to facilitate implementation of the arrangements under CEPA and its Supplements and the facilitation measures for more Mainland residents to visit Hong Kong;
- supported the HKTB in its promotion of multi-destination itineraries in key source markets, and marketing effort in emerging markets of India, the Middle East and Russia as well as non-Guangdong provinces of the Mainland;
- continued with the regulation of travel agents and embarked on a review on the operation of the TIC;
- continued to work through the relevant joint venture company to enhance the Hong Kong Disneyland's operational performance and reached agreement with the Walt Disney Company on the expansion of the Hong Kong Disneyland and the related financial arrangements;
- continued to press ahead with the timely development of a new cruise terminal at Kai Tak and enhance the software to further develop Hong Kong into a leading regional cruise hub;
- 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 government departments and relevant bodies on other policy and project initiatives to promote tourism development;
- 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;
- monitored the completion of the former Marine Police Headquarters Historic Compound as a tourism facility by the private sector and its promotion plan;
- continued with the housekeeping responsibility for the Ocean Park and facilitated the Ocean Park Redevelopment project and hotel development project;
- co-ordinated with the HKTB and relevant parties to invigorate efforts to showcase Hong Kong as a premier destination for fine food and wine;
- established the Mega Events Fund for supporting large-scale arts, culture and sports events organised by local non-profit-making bodies; and
- worked with the HKTB to enhance promotion of Hong Kong as a premier MICE (Meetings, Incentive travels, Conventions and Exhibitions) destination and offered support to large-scale MICE events.

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Matters Requiring Special Attention in 2010–11

23 During 2010–11, 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 stakeholders in key source markets to attract more visitors to 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, cruise and related tourism sectors;
- together with local stakeholders and Mainland tourism authorities, continue to promote honest tourism and hospitality culture, and further enhance the service quality of Hong Kong tourism industry;
- work with the trade to improve the operation and increase the transparency of the TIC;
- continue to attract and support large-scale arts, culture and sports events through the Mega Events Fund;
- work closely through the joint venture company to ensure timely implementation of the expansion plan of the Hong Kong Disneyland with a view to enhancing its appeal to visitors and its operational performance;
- continue to 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;
- continue to oversee the timely development of a new cruise terminal at Kai Tak, develop the software enhancing Hong Kong's position as a leading regional cruise hub, and facilitate interim berthing of cruise vessels which are unable to berth at the existing cruise terminal;
- take forward further enhancement of existing tourist attractions and facilities, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, beautification of the footbridges in Tsim Sha Tsui East, and development of a piazza in Tsim Sha Tsui;
- continue to work with the HKTB, the tourism sector and relevant government departments to diversify the green tourism products on offer in Hong Kong, including the promotion of the Hong Kong National Geopark; and
- continue to support the HKTB in MICE promotion work.

Programme (7): Subvention: Hong Kong Tourism Board

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	464.9	502.2	501.5 (–0.1%)	499.5 (–0.4%)
				(or –0.5% on 2009–10 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 matters.

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

	2008 (Actual)	2009 (Revised Estimate) Δ	2010 (Estimate) Δ
visitor arrivals (million).....	29.51	29.59	31.14
increase on previous year (%) Ψ	+4.7	+0.3	+5.2
tourism expenditure associated with inbound tourism (\$ billion) \P	159.0	162.8	174.0
increase on previous year (%) Ψ	+11.7	+2.4	+6.9
expenditure per capita overnight visitor (\$) Ω	5,439	5,650	5,790
increase on previous year (%) Ψ	+6.2	+3.9	+2.5
length of stay of overnight visitors (nights) β	3.3	3.2	3.2
satisfaction of overnight visitors (score out of 10) β	8.2	8.3	8.3

Δ 2009 revised estimate and 2010 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.

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 2008 was \$41.8 billion. The projection for 2009 is \$41.9 billion.

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 2010–11

28 During 2010–11, the HKTB will:

- continue to maintain a diversified market portfolio focusing on 18 top markets which account for 94 per cent of total annual arrivals with the following strategies –
 - strengthen promotion in established long-haul and short-haul markets and in high growth markets to realise their full market potential, as well as in emerging markets as longer-term growth drivers; and
 - adopt a new operating model for overseas representative offices to expand the geographical presence and enhance operational efficiency.
- carry out Mainland and overseas promotional activities targeted at consumers, the trade and media with particular focuses on the following areas –
 - launch “Festive Hong Kong 2010” as the marketing theme for 2010 to promote major festivals and highlight the unique Hong Kong living culture throughout the year, including the staging of a new International Dragon Boat Festival;
 - ride on the opening of the Hong Kong National Geopark to promote Hong Kong’s green attractions;
 - produce a dedicated Art Guide for visitors to explore Hong Kong’s arts and cultural attractions;
 - create an umbrella year-round offer with strategic partners like credit card companies and shopping malls to cross-sell Hong Kong and enhance attractiveness of Hong Kong travel packages; and
 - solicit global TV networks to produce lifestyle TV programmes featuring Hong Kong to maximise exposure of Hong Kong through creative promotion angles.
- further develop multi-destination products with selected cities in Mainland China, Macao and selected South East Asian countries to enhance overall appeal of Hong Kong, including –
 - leverage the Expo 2010 Shanghai China to reinforce multi-destination products featuring Hong Kong;
 - ride on the massive consumer database of the Guangdong Provincial Tourism Administration to jointly promote Overseas Chinese Tourism Year in selected overseas markets; and
 - seek opportunities for co-operation with South East Asian countries in selected long-haul markets.
- further drive growth in MICE with segment-specific activities, including –
 - step up trade engagement activities and revamp “Hong Kong Rewards” privileged programme to increase the attractiveness of organising events in Hong Kong;

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- focus on bidding mega conventions and foster strategic partnership with professional convention organisers; and
- focus on generating attendance for recurrent exhibitions and solicit new industry shows to grow the exhibition segment.
- enhance presence and publicity at major cruise industry event to pave way for the opening of the first berth of the new cruise terminal in 2013 and promote Hong Kong/Taiwan cruise itineraries in key Mainland cities targeting the family and achiever segments; and
- revamp the dedicated website for the trade to provide an integrated, up-to-date and interactive digital marketing platform to enhance communication with trade partners and facilitate overseas trade partners to promote Hong Kong.

Programme (8): Public Safety

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	0.4	0.4	0.4 (—)	0.4 (—)
				(or same as 2009–10 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 2009–10, 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 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 2010–11

32 During 2010–11, the Branch will continue to work with the Hong Kong Observatory and endeavour to complete the necessary consultation for 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	2008–09 (Actual) (\$m)	2009–10 (Original) (\$m)	2009–10 (Revised) (\$m)	2010–11 (Estimate) (\$m)
(1) Director of Bureau's Office	9.6	12.1	9.8	11.5
(2) Commerce and Industry	137.2	155.7	146.1	150.5
(3) Subvention: Hong Kong Trade Development Council	360.0	370.8	370.8	374.5
(4) Posts, Competition Policy and Consumer Protection.....	10.8	10.4	11.1	20.7
(5) Subvention: Consumer Council	76.8	77.2	78.4	76.7
(6) Travel and Tourism.....	112.8	92.3	114.0	126.0
(7) Subvention: Hong Kong Tourism Board	464.9	502.2	501.5	499.5
(8) Public Safety.....	0.4	0.4	0.4	0.4
	<hr/>	<hr/>	<hr/>	<hr/>
	1,172.5	1,221.1	1,232.1 (+0.9%)	1,259.8 (+2.2%)
				(or +3.2% on 2009–10 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2010–11 is \$1.7 million (17.3%) higher than the revised estimate for 2009–10. This is mainly due to the provision required for the creation of one position of Political Assistant.

Programme (2)

Provision for 2010–11 is \$4.4 million (3.0%) higher than the revised estimate for 2009–10. This is mainly due to increased salary provision arising from staff changes and increased cash flow requirement for non-recurrent items. In addition, two posts will be deleted in 2010–11.

Programme (3)

Provision for 2010–11 is \$3.7 million (1.0%) higher than the revised estimate for 2009–10. 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 60 per cent of the total amount of trade declaration charges received in the preceding year.

Programme (4)

Provision for 2010–11 is \$9.6 million (86.5%) higher than the revised estimate for 2009–10. This is mainly due to an injection of \$10.0 million in 2010–11 into the CLAF.

Programme (5)

Provision for 2010–11 is \$1.7 million (2.2%) lower than the revised estimate for 2009–10. This is mainly due to the decreased cash flow requirement for the procurement and installation of interactive computer system and acquisition of the removable storage device security control system and the full-year effect of price adjustment in subvention with reference to the 2009 pay adjustment.

Programme (6)

Provision for 2010–11 is \$12.0 million (10.5%) higher than the revised estimate for 2009–10. This is mainly due to the increased cash flow requirement for the Mega Events Fund, partly offset by the decreased cash flow requirement for other general non-recurrent projects.

Programme (7)

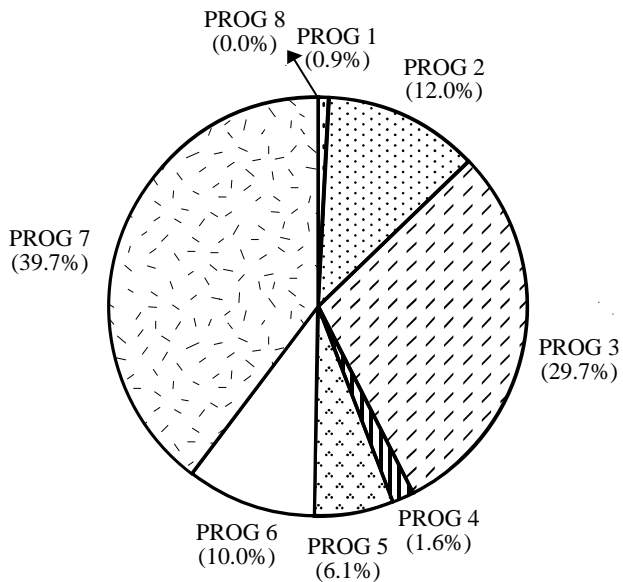
Provision for 2010–11 is \$2.0 million (0.4%) lower than the revised estimate for 2009–10. This is mainly due to the full-year effect of price adjustment in subvention with reference to the 2009 pay adjustment.

Programme (8)

Provision for 2010–11 is comparable with the revised estimate for 2009–10.

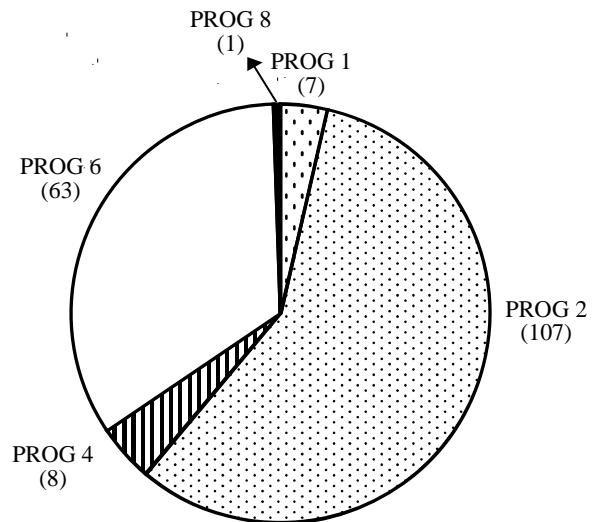
Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Allocation of provision to programmes (2010-11)



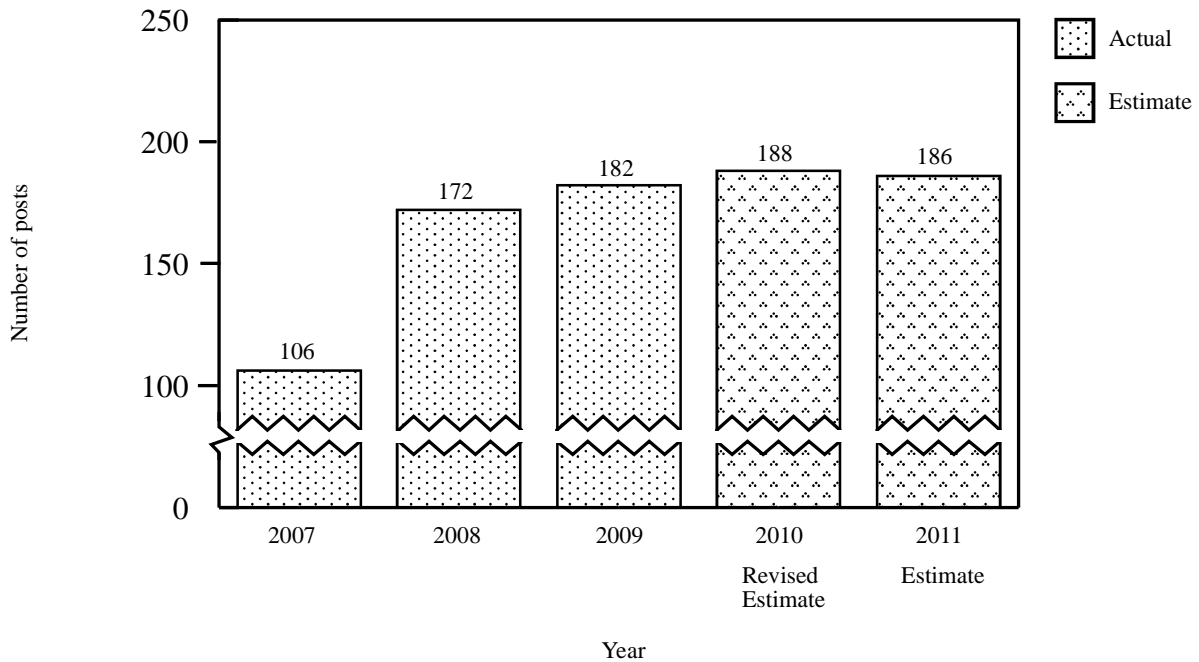
(Provision for PROG 8 represents 0.03% of the overall provision. The percentage is not shown here due to rounding)

Staff by programme (as at 31 March 2011)



(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 2008-09	Approved estimate 2009-10	Revised estimate 2009-10	Estimate 2010-11	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	1,153,691	1,201,236	1,193,531	1,198,000
	Total, Recurrent.....	<u>1,153,691</u>	<u>1,201,236</u>	<u>1,193,531</u>	<u>1,198,000</u>
Non-Recurrent					
700	General non-recurrent	17,617	18,363	36,501	60,621
	Total, Non-Recurrent.....	<u>17,617</u>	<u>18,363</u>	<u>36,501</u>	<u>60,621</u>
	Total, Operating Account	1,171,308	1,219,599	1,230,032	1,258,621
Capital Account					
Subventions					
955	Consumer Council	1,049	1,454	2,122	1,183
	Consumer Council (block vote).....	150	—	—	—
	Total, Subventions.....	<u>1,199</u>	<u>1,454</u>	<u>2,122</u>	<u>1,183</u>
	Total, Capital Account	1,199	1,454	2,122	1,183
	 Total Expenditure	<u><u>1,172,507</u></u>	<u><u>1,221,053</u></u>	<u><u>1,232,154</u></u>	<u><u>1,259,804</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 2010–11 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$1,259,804,000. This represents an increase of \$27,650,000 over the revised estimate for 2009–10 and of \$87,297,000 over actual expenditure in 2008–09.

Operating Account

Recurrent

2 Provision of \$1,198,000,000 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 2010 will be 187 permanent posts and one supernumerary post. It is expected that there will be a decrease of two posts in 2010–11. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2010–11, but the notional annual mid-point salary value of all such posts must not exceed \$74,784,000.

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

	2008–09 (Actual) (\$'000)	2009–10 (Original) (\$'000)	2009–10 (Revised) (\$'000)	2010–11 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	98,695	109,078	102,353	104,609
- Allowances	4,335	4,331	3,986	3,558
- Job-related allowances	3	4	4	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	162	168	233	217
- Civil Service Provident Fund contribution	702	855	1,024	1,056
- Disturbance allowance	1	177	—	177
Departmental Expenses				
- General departmental expenses	110,671	95,681	97,060	94,850
Other Charges				
- Subscription to the World Trade Organization	35,035	38,600	36,694	40,364
Subventions				
- Consumer Council	75,585	75,754	76,251	75,518
- Hong Kong - Japan Business Co-operation Committee	3,610	3,610	3,610	3,610
- Hong Kong Tourism Board	464,892	502,178	501,516	499,529
- Hong Kong Trade Development Council	360,000	370,800	370,800	374,508
	<u>1,153,691</u>	<u>1,201,236</u>	<u>1,193,531</u>	<u>1,198,000</u>

**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 31.3.2009	Revised estimated expenditure for 2009–10	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
012	Professional Services Development Assistance Scheme.....		100,000	68,584	8,000	23,416
015	Enhancing public awareness of the work of the Competition Policy Advisory Group.....		500	300	—	200
016	A “Hospitable Hong Kong” Campaign ..		22,400	19,570	1,719	1,111
483	Launching campaign of major tourism infrastructure projects		8,600	7,528	735	337
685	Development of Hong Kong’s assessment capabilities for the operation of strategic trade controls...		4,000	3,530	—	470
812	Injection into the Consumer Legal Action Fund		10,000	—	—	10,000
862	Mega Events Fund.....		100,000	—	20,000	80,000
922	Consultancy for developing user requirements and related matters on operation and ancillary facilities in the New Cruise Terminal at Kai Tak for project implementation under the Government Design, Build and Lease Approach		6,230	—	5,607	623
			<u>251,730</u>	<u>99,512</u>	<u>36,061</u>	<u>116,157</u>
<i>Capital Account</i>						
955	<i>Consumer Council</i>					
876	Procurement and installation of interactive computer system for Consumer Council		4,184	1,049	1,952	1,183
			<u>4,184</u>	<u>1,049</u>	<u>1,952</u>	<u>1,183</u>
	Total.....		<u>255,914</u>	<u>100,561</u>	<u>38,013</u>	<u>117,340</u>