

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 2011–12	\$299.3m
Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 131 non-directorate posts as at 31 March 2011 and as at 31 March 2012.....	\$67.8m
In addition, there will be an estimated 18 directorate posts as at 31 March 2011 and as at 31 March 2012.	
Commitment balance	\$3.3m

Controlling Officer's Report

Programmes

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

Detail

Programme (1): Commercial Relations

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	132.1	143.4	142.2 (–0.8%)	144.4 (+1.5%)
				(or +0.7% on 2010–11 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

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
meetings on trade-related matters attended.....	3 583	3 614	3 556
visits to host governments and trade organisations.....	1 207	1 250	1 219
seminars, exhibitions and workshops			
organised.....	181	186	182
participated	694	743	716
public speeches given	386	397	387
media interviews/briefings given	684	698	668
circulars/newsletters/press releases issued.....	762	832	823

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Matters Requiring Special Attention in 2011–12

5 During 2011–12, 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 Commerce and Economic Development Bureau and as appropriate, its family of departments in issues of special interests on the bilateral and multilateral fronts.

Programme (2): Public Relations

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	102.3	109.5	105.9 (–3.3%)	106.4 (+0.5%)
				(or –2.8% on 2010–11 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

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
call on senior government officials/organisations	1 721	1 759	1 710
public relations functions/events			
organised	690	739	691
participated	1 170	1 263	1 199
newsletters, pamphlets, press releases issued	1 178	1 205	1 192
no. of visitors assisted	2 186	3 020	2 125
public speeches given	459	460	452
media interviews/briefings given	786	813	787
enquiries handled	40 325	38 770	38 139

Matters Requiring Special Attention in 2011–12

9 During 2011–12, 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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	48.2	50.8	48.3 (–4.9%)	48.5 (+0.4%)
				(or –4.5% on 2010–11 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.

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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.

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

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
projects pursued.....	554	639	607
projects completed^	132	157	149

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

Matters Requiring Special Attention in 2011–12

13 During 2011–12, 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	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Commercial Relations	132.1	143.4	142.2	144.4
(2) Public Relations.....	102.3	109.5	105.9	106.4
(3) Investment Promotion	48.2	50.8	48.3	48.5
	282.6	303.7	296.4 (–2.4%)	299.3 (+1.0%)
				(or –1.4% on 2010–11 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2011–12 is \$2.2 million (1.5%) higher than the revised estimate for 2010–11. This is mainly due to increased salary for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, and increased cash flow requirement for the replacement of an office car in Geneva ETO, partly offset by decreased cash flow requirement for the setting up cost for Berlin ETO.

Programme (2)

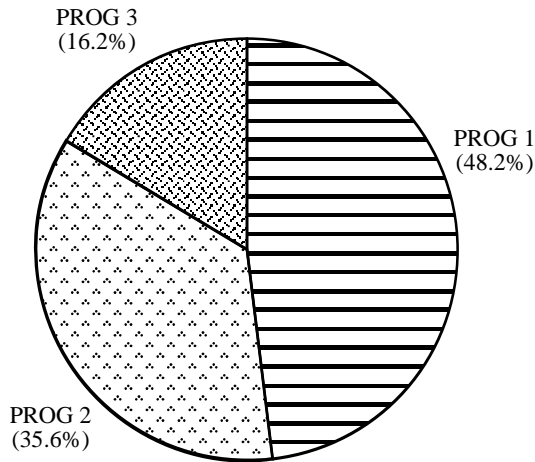
Provision for 2011–12 is \$0.5 million (0.5%) higher than the revised estimate for 2010–11. This is mainly due to increased salary for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, partly offset by decreased cash flow requirement for the setting up cost for Berlin ETO.

Programme (3)

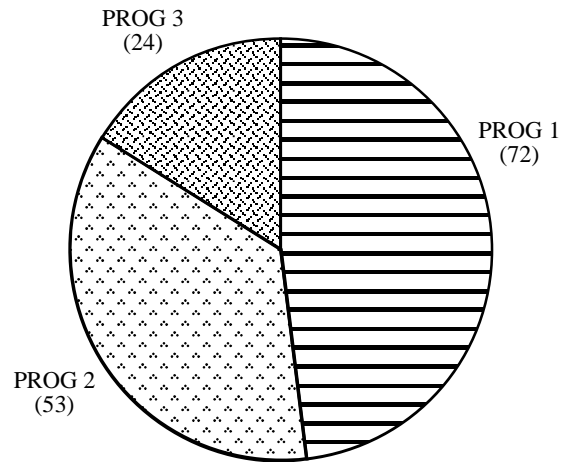
Provision for 2011–12 is \$0.2 million (0.4%) higher than the revised estimate for 2010–11. The reasons that account for the increase under Programme (2) above also apply here.

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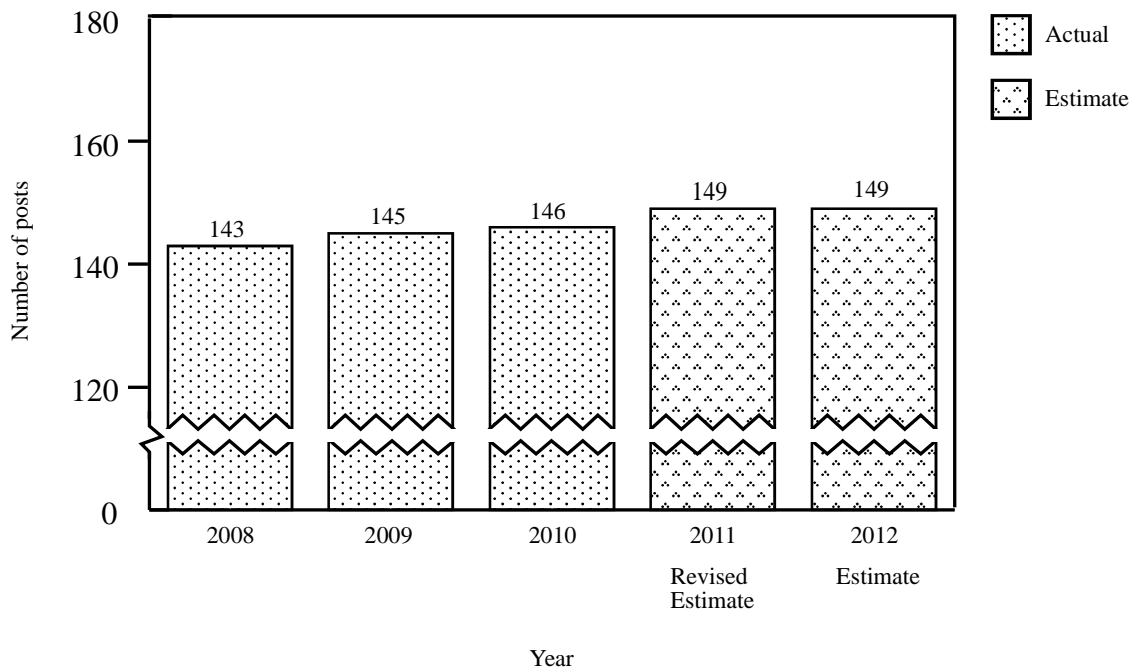
*Allocation of provision
to programmes
(2011-12)*



*Staff by programme
(as at 31 March 2012)*



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



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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.....	282,142	293,597	289,689	295,231
	Total, Recurrent	<u>282,142</u>	<u>293,597</u>	<u>289,689</u>	<u>295,231</u>
Non-Recurrent					
700	General non-recurrent	—	9,350	6,159	3,191
	Total, Non-Recurrent	<u>—</u>	<u>9,350</u>	<u>6,159</u>	<u>3,191</u>
	Total, Operating Account.....	282,142	302,947	295,848	298,422
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	445	800	523	880
	Total, Plant, Equipment and Works	<u>445</u>	<u>800</u>	<u>523</u>	<u>880</u>
	Total, Capital Account	445	800	523	880
	Total Expenditure	<u>282,587</u>	<u>303,747</u>	<u>296,371</u>	<u>299,302</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2011–12 for the salaries and expenses of the overseas ETOs is \$299,302,000. This represents an increase of \$2,931,000 over the revised estimate for 2010–11 and of \$16,715,000 over actual expenditure in 2009–10.

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\$7.37604
Canadian Dollar	1=HK\$7.6543
Euro	1=HK\$10.37899
Japanese Yen	1=HK\$0.092968
Pound Sterling	1=HK\$12.0929
Singapore Dollar	1=HK\$5.84284
Swiss Franc	1=HK\$7.92171

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 \$295,231,000 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 2011 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 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 \$67,770,000.

5 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	100,929	108,114	103,002	107,813
- Allowances	31,751	33,298	34,778	35,386
Personnel Related Expenses				
- Payment to redundant locally engaged staff of the ETO in London.....	211	—	—	—
- Mandatory Provident Fund contribution	12	6	8	—
- Civil Service Provident Fund contribution	958	1,132	1,150	1,255
- Disturbance allowance.....	1,190	3,747	2,964	3,573
Departmental Expenses				
- General departmental expenses.....	105,593	107,689	107,473	107,448
Other Charges				
- Publicity.....	41,440	39,511	40,256	39,656
- Grants to organisations	58	100	58	100
	282,142	293,597	289,689	295,231

Capital Account

Plant, Equipment and Works

6 Provision of \$880,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$357,000 (68.3%) over the revised estimate for 2010–11. This is mainly due to the replacement of an office car for Geneva ETO.

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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>					
934	Setting up cost for the Economic and Trade Office in Europe.....		9,500	—	6,159	3,341
	Total		9,500	—	6,159	3,341