

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 2012–13..... **\$1,380.5m**

Establishment ceiling 2012–13 (notional annual mid-point salary value) representing an estimated 168 non-directorate posts as at 31 March 2012 and as at 31 March 2013 **\$81.2m**

In addition, there will be an estimated 19 directorate posts as at 31 March 2012 and as at 31 March 2013.

Commitment balance **\$63.4m**

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	These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).
Programme (3) Subvention: Hong Kong Trade Development Council	
Programme (4) Posts, Competition Policy and Consumer Protection	These programmes contribute to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development).
Programme (5) Subvention: Consumer Council	
Programme (6) Travel and Tourism	These programmes contribute to Policy Area 5: Travel and Tourism (Secretary for Commerce and Economic Development).
Programme (7) Subvention: Hong Kong Tourism Board	
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

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	9.7	11.6	7.1 (–38.8%)	12.0 (+69.0%)
				(or +3.4% on 2011–12 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 his 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

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	132.0	150.7	149.0 (–1.1%)	151.2 (+1.5%)
				(or +0.3% on 2011–12 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) and the National 12th Five-Year Plan; 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 goods 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 into Hong Kong;
- formulate policies to support SMEs;
- provide support to local businesses operating in the Mainland;
- promote and safeguard market access of Hong Kong's goods and services through overseeing Hong Kong's active participation in the multilateral trading system, including seeking further trade liberalisations under the World Trade Organization (WTO);
- foster greater regional co-operation in the Asia-Pacific region through overseeing Hong Kong's active participation in the Asia-Pacific Economic Cooperation (APEC);
- enhance mutually beneficial economic relationship between Hong Kong and the Mainland through CEPA;
- foster closer economic relationship with key trading partners through different means, including the conclusion of co-operation arrangements 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 Hong Kong's professional services.

6 During 2011–12, the Branch:

- oversaw implementation of measures to strengthen institutional arrangements and support services to foreign enterprises for the promotion of inward investment into Hong Kong;
- oversaw active participation in the work of the WTO including the current round of multilateral trade negotiations and participated in the Eighth WTO Ministerial Conference held in Geneva, Switzerland from 15 to 17 December 2011;
- oversaw active participation in the APEC including strengthening regional economic integration and expanding trade, and working on ways for the assessment of the APEC economies' further progress towards achieving the goal of free and open trade and investment;
- oversaw the implementation of the Closer Economic Partnership Agreement with New Zealand from 1 January 2011, and the signing of the Free Trade Agreement with the European Free Trade Association, which comprises Iceland, Liechtenstein, Norway and Switzerland, in June 2011;

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- continued to oversee discussions with interested trading partners on enhancing bilateral economic co-operation, including the exploration of free trade agreements and co-operation arrangements;
- oversaw efforts in concluding the consultation on further market liberalisation and discussing further development of CEPA with the Mainland, and ensuring the smooth implementation of measures announced;
- 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;
- continued efforts in promoting and expanding co-operation with Taiwan on trade, investment and tourism fronts;
- worked with the Trade and Industry Department (TID) to seek approval from the Finance Committee (FC) of the Legislative Council (LegCo) to increase the total loan guarantee commitment under the SME Loan Guarantee Scheme from \$20 billion to \$30 billion, and the total commitment for the SME Export Marketing Fund and SME Development Fund from \$2.75 billion to \$3.75 billion;
- continued to work with the Hong Kong Export Credit Insurance Corporation to assist Hong Kong exporters;
- continued 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, manpower training and education, benchmarking Hong Kong's wine storage facilities with international standards, combating counterfeits, and collaboration with the trading partners of Hong Kong;
- introduced the Copyright (Amendment) Bill 2011 into the LegCo with a view to strengthening copyright protection in the digital environment;
- launched a public consultation exercise on the review of the patent system in Hong Kong;
- 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;
- worked with the Customs and Excise Department and relevant stakeholders for smooth migration to the electronic Road Cargo System, the use of which became mandatory in mid November 2011;
- monitored the operation of Government Electronic Trading Services (GETS) including the services delivered by the three GETS service providers appointed through open tender; and
- managed the PSDAS.

Matters Requiring Special Attention in 2012–13

7 During 2012–13, the Branch will:

- strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and emerging markets in Southeast Asia, Russia, India, the Middle East and South America;
- 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;
- continue to monitor the development of regional economic integration and explore the opportunities for Hong Kong's participation;
- continue to oversee the efforts in exploring with interested trading partners possible means of enhancing bilateral economic co-operation;
- continue to oversee the effective implementation and further liberalisation of CEPA;
- 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;
- work with TID to finalise implementation details of the five-year dedicated fund to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland domestic market, and seek funding approval from the FC with a view to launching the fund in mid 2012;
- enhance efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters;
- continue to oversee collaboration among agencies responsible for promoting trade and inward investment for Hong Kong overseas;

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- continue to work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to promote co-operation between major convention and exhibition facilities to achieve better utilisation, and closely monitor Hong Kong's long-term demand for additional facilities;
- 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;
- introduce legislative amendments that would enable goods made in Hong Kong to enjoy preferential tariff treatment under the more flexible rules of origin provided for in agreements/arrangements of trade liberalisation that Hong Kong has entered into with our trading partners or may sign in future;
- follow up with the LegCo and stakeholders for the passage of the Copyright (Amendment) Bill 2011;
- finalise a non-statutory Code of Practice for online service providers to tie in with the implementation of the safe harbour provisions under the Copyright (Amendment) Bill 2011;
- seek to introduce the Copyright (Libraries, Museums and Archives) Regulations into the LegCo to specify libraries, museums and archives that are entitled to perform the permitted acts in the Copyright Ordinance (Cap. 528) and the relevant prescribed conditions;
- publish the Administration's proposed way forward regarding the future positioning of the patent system in Hong Kong; 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

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	374.5	378.3	378.3 (—)	383.9 (+1.5%)
				(or +1.5% on 2011–12 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 A statutory body established in 1966, the HKTDC is the international marketing arm for Hong Kong-based traders, manufacturers and services providers. With more than 40 offices worldwide, including 11 in the Mainland, the HKTDC:

- promotes Hong Kong as a platform for doing business with the Mainland and throughout Asia;
- organises trade fairs, international trade promotion events and business missions to connect Hong Kong companies with opportunities in the Mainland and around the world;
- provides market information via trade publications, research reports and its Internet portal;
- provides comprehensive development and training programmes to assist Hong Kong companies penetrating new markets and niche sectors; 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.

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Indicators

10 The key performance measures in respect of promoting Hong Kong's external trade are:

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
trade and services promotion			
events.....	821	800	828
companies participating	69 505	71 063	72 830
local fairs			
no. of the Mainland and overseas buyers	343 817	374 335	374 900
no. of fairs.....	36	35	35
business-matching enquiries worldwide			
no. of business enquiries handled	1 114 000	1 390 000	1 420 000
no. of business connections made	8 612 000	13 528 000	14 000 000
trade publications			
worldwide circulation (million)^	1.68	2.30	2.50
no. of issues	105	121	121
no. of advertisers on HKTDC's trade portal (hktdc.com).....	27 743	31 900	33 000

^ The worldwide circulation figures in 2011 and 2012 include print as well as the electronic version.

Matters Requiring Special Attention in 2012–13

11 During 2012–13, the HKTDC will:

- help Hong Kong companies maximise opportunities created by the reshaping of the global economy; help SMEs meet the challenges of a sluggish world economy; assist Hong Kong companies to develop their brands and extend their penetration into the Mainland consumer market; capitalise on the opportunities arising from the Mainland's National 12th Five-year Plan; capitalise on Mainland enterprises' outward investment trend; showcase Hong Kong's unique strengths as a bridge between the West and the East; expand our services promotions in Taiwan to leverage improved cross-strait relations; help Hong Kong companies leverage opportunities in the food and agricultural sector; and help Hong Kong companies embrace the opportunities arising from Japan's reconstruction in the aftermath of the earthquake;
- champion Hong Kong's role as Asia's central business district for the global economy; fortify Hong Kong's position as Asia's global financial centre, highlighting its role as an offshore Renminbi centre and asset management hub; build high-profile international events in Hong Kong to promote Hong Kong as Asia's service hub; promote Hong Kong's role as an intellectual property trading platform; strengthen the role of HKTDC's fairs as business and marketing platforms; reinforce Hong Kong's trendsetting capabilities with lifestyle events; strengthen the trusted value proposition of hktdc.com as the preferred online marketplace and as an effective platform for promoting HKTDC's services; and support Government's initiatives to promote the six industries; and
- build on HKTDC's SME start-up programme to promote and assist the younger generation of SMEs; assist SMEs to strengthen their marketing capabilities and keep them abreast of new market opportunities; build and sharpen HKTDC's capabilities through database development and facilitate enhanced business matching; exploit the opportunities presented by new marketing tools and techniques; and build closer partnership with SMEs and major stakeholders through active outreach programmes.

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

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	17.7	59.7	9.7 (–83.8%)	90.6 (+834.0%)
				(or +51.8% on 2011–12 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 market through competition, and the protection of consumer interests.

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14 During 2011–12, the Branch:

- published the annual report of Competition Policy Advisory Group (COMPAG) for the year 2010–11 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- worked closely with the LegCo in its scrutiny of the Competition Bill;
- published the consultation report on proposed legislation to enhance consumer protection against unfair trade practices and prepared a bill to implement the legislative proposals; and
- assisted the LegCo in scrutinising the Pyramid Schemes Prohibition Bill which sought to curb illicit pyramid activities.

Matters Requiring Special Attention in 2012–13

15 During 2012–13, the Branch will:

- press ahead with the passage of the Competition Bill and begin preparatory work on the establishment of a Competition Commission and a Competition Tribunal;
- continue to take forward the bill on unfair trade practices; 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

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	77.2	76.0	80.1 (+5.4%)	80.1 (—)
				(or +5.4% on 2011–12 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 (Cap. 216). 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 Consumer Legal Action Fund (CLAF); and
- empowering consumers through education and publicity campaigns.

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18 The key performance measures in respect of protection and promotion of consumer interests are:

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
handling consumer enquiries				
telephone calls answered within three minutes (%).....	80	80	80	85
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	14	12
handling consumer complaints				
telephone calls answered within three minutes (%).....	80	80	80	85
in writing				
issuing preliminary reply (working days).....	7	7	7	7
notifying complainants of results/progress (working days)	16	16	16	16
publications of ‘CHOICE’ and release of product testing, research and survey results once per month (%).....	100	100	100	100

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
consumer complaints	29 048	27 541	30 000
consumer enquiries	117 071	104 750	110 000
product tests	42	45 ^γ	47
consumer surveys.....	24	19 ^γ	18
in-depth studies	40	40	36
studies of general interest	17	16 ^γ	15
response to consultation from the Government and other public bodies	21	26	18
consumer educational programmes.....	210	212	215
circulation of publications	339 000	310 000	340 000

^γ In 2011, the CC conducted more product tests which involved substantial human resources. This led to a diversion of resources and thus the decrease in the number of consumer surveys and studies of general interest.

Matters Requiring Special Attention in 2012–13

19 During 2012–13, the CC will:

- continue its price surveillance initiatives to enhance price transparency. The CC will continue to conduct the Weekly Price Survey (covering food items and daily necessities available for sale in supermarkets and other retail outlets) and the Supermarket Price Watch (comparing the online prices of some 1 100 items of online supermarkets and grocery stores);
- forge a closer co-operation with consumer organisations in the Mainland by organising pilot workshops and exchange programmes on complaints and advice, research and testing, as well as consumer education work. The CC will also assist tourists in better understanding Hong Kong’s market practices, and speed up the process of complaint handling;
- respond to consultation exercises by the Government and other public bodies which involve consumer issues;
- examine consumer issues such as the use of unfair terms in standard consumer contracts;
- enhance the accessibility and reach of the CC’s official website;
- enhance and promote the CC’s dedicated “Shopsmart” website for Mainland visitors in Hong Kong;

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- enhance public understanding of the benefits that may be brought about by a competition law;
- implement the recommendations arising from a review of the operation of CLAF; and
- monitor trade practices and alert consumers through appropriate channels.

Programme (6): Travel and Tourism

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	109.3	163.9	136.3 (–16.8%)	118.1 (–13.4%)
				(or –27.9% on 2011–12 Original)

Aim

- 20 The aim is to maintain Hong Kong's position as a 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 2011–12, the Branch:

- supported the Travel Industry Council of Hong Kong's (TIC's) implementation of measures in regulating the operation of the Mainland inbound tour groups for tackling the problems of "zero/negative reception fees" and improving the regulation of tourist guides;
- continued with the regulation of travel agents and conducted a review on the existing operation and regulatory framework of the tourism sector;
- continued to monitor and support the Hong Kong Tourism Board's (HKTb's) operations;
- supported the HKTb in continuing its promotion of multi-destination itineraries in key source markets and marketing efforts in emerging markets as well as non-Guangdong provinces of the Mainland;
- worked with the HKTb to enhance promotion of Hong Kong as a premier Meetings, Incentive travels, Conventions and Exhibitions (MICE) destination and offered support to large-scale MICE events;
- continued to work with the trade, the HKTb, the TIC, the CC and the Mainland authorities to promote honest and quality tourism;
- liaised with relevant Mainland authorities to facilitate the implementation of CEPA and other measures to make it more convenient for Mainland residents to visit Hong Kong;
- continued the development of the new cruise terminal at Kai Tak and worked closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continued to work through the joint venture company to enhance the Hong Kong Disneyland's operational performance and to monitor the implementation of the Hong Kong Disneyland expansion plan;
- continued with the housekeeping responsibility for the Ocean Park and facilitated its redevelopment and hotel development projects;
- continued to utilise the Mega Events Fund for supporting large-scale arts, cultural and sports events organised by local non-profit-making bodies;
- continued with the planning and implementation of projects under the Tourism District Enhancement Programme. These include the Aberdeen Tourism Project, the Ngong Ping 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 the HKTb and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine;
- worked with the HKTb, the tourism sector and relevant government departments to diversify the green tourism products on offer in Hong Kong;

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- 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; and
- co-ordinated with government departments and relevant bodies on other policy and project initiatives to promote tourism development.

Matters Requiring Special Attention in 2012–13

23 During 2012–13, the Branch will:

- continue to co-ordinate work on policy and project initiatives to facilitate tourism development;
- take forward the substantive reform proposals on the existing operation and regulatory framework of the tourism sector to promote the healthy and sustainable development of the tourism industry;
- continue to support the promotion work of the HKTb in key source markets, and its expanding marketing efforts in emerging markets;
- continue to support the HKTb in MICE promotion work;
- continue to 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 to further enhance the quality of Hong Kong's tourism services;
- continue the development of the new cruise terminal at Kai Tak and work closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continue to monitor the implementation of the Hong Kong Disneyland expansion plan to ensure its timely completion;
- continue to work closely with the Ocean Park for the smooth implementation of its redevelopment and hotel development projects with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region;
- continue to work with the HKTb, the tourism sector and relevant government departments in promoting nature-based tourism products in Hong Kong, including the Hong Kong Global Geopark of China; and
- take forward further enhancement of existing tourist attractions and facilities, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East, and development of a tourism node in Tsim Sha Tsui through integrating the planned piazza with the revitalisation of the Tsim Sha Tsui pier.

Programme (7): Subvention: Hong Kong Tourism Board

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	501.0	514.5	521.5 (+1.4%)	544.1 (+4.3%)
				(or +5.8% on 2011–12 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 objectives.

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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 illustrate the overall position and forecasts of the Hong Kong tourism industry.

Indicators

	2010 (Actual)	2011 (Revised Estimate)Δ	2012 (Estimate)Δ
visitor arrivals (million).....	36.0	41.9	44.2
increase on previous year (%)Ψ.....	+21.8	+16.4	+5.5
tourism expenditure associated with inbound tourism (\$ billion)¶.....	210.0	253.0	269.1
increase on previous year (%)Ψ.....	+32.7	+20.5	+6.4
expenditure per capita overnight visitor (\$)Ω.....	6,728	7,333	7,505
increase on previous year (%)Ψ.....	+16.6	+9.0	+2.4
length of stay of overnight visitors (nights)β.....	3.6	3.6	3.5
satisfaction of overnight visitors (score out of 10)β.....	8.3	8.3	8.3

Δ 2011 revised estimate and 2012 estimate are subject to changes. Any global or regional economic uncertainties, security threats and health risks may affect the above estimates but cannot be foreseen at this stage.

Ψ The percentage increase is based on the comparison of absolute figures before rounding up.

¶ 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 2010 was \$40.8 billion. The projections for 2011 and 2012 are \$48.4 billion and \$49.9 billion respectively.

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 2012–13

28 During 2012–13, the HKTb will:

- adopt the following strategies for further driving arrivals growth:
 - implementing integrated marketing activities, including tactical co-operation with overseas trade in key long-haul and short-haul markets; and
 - intensifying efforts to develop new markets by continuing penetration into India, the Middle East, Vietnam and the Netherlands, and riding on the increase in air capacity and the visa free policy to entice more visits from Russia;
- utilise "Asia's world city" as the thematic platform to uphold the appeal of Hong Kong's cosmopolitan image and reinforce the city's core strengths;
- enhance destination experience and Hong Kong's appeal through a year-round event calendar by:
 - adopting ten key promotional campaigns with enriched event elements and higher quality of programmes; and
 - soliciting new sponsorships and recruiting co-operative partners from different sectors;
- further strengthen digital marketing and publicity initiatives for engaging target consumers, including:
 - enhancing brand awareness and reach of promotions with new contents and features to the DiscoverHongKong.com website, and engaging target consumers by making greater use of social media platforms, such as Facebook; and
 - maximising international exposure and publicity for Hong Kong's core strengths, key events and festivals through co-operative programmes with leading TV networks in overseas markets;
- refine multi-destination strategies with focus on multi-destination itinerary and product development with Pan-Pearl River Delta cities;
- drive consumer demand, promote itinerary development and attract ship calls through co-operative promotions with cruise lines;

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- cultivate and capitalise on proactive partnership for business development by:
 - continuing to organise spin-off events, networking sessions, overseas trade shows and familiarisation visits to Hong Kong; and
 - launching the revamped PartnerNet as a new and efficient business-building platform for trade partners; and
- generate more MICE activities, including:
 - fostering business building with meetings and incentives agents in strategic markets and organising joint promotions with travel agents and hotel chain groups;
 - securing high-profile events to enhance Hong Kong's image and generating attendance for conventions and exhibitions;
 - exploring convention business in six priority industry sectors, namely medical, medical science, social science, computer science, engineering and sports-leisure-culture; and
 - strengthening "Business Right Here" attendance generation programme together with organisers and trade partners.

Programme (8): Public Safety

	2010-11 (Actual)	2011-12 (Original)	2011-12 (Revised)	2012-13 (Estimate)
Financial provision (\$m)	0.5	0.5	0.5 (—)	0.5 (—)
				(or same as 2011-12 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 2011-12, 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 (HKO) to prepare for the construction of a station for housing a new weather radar for windshear detection.

Matters Requiring Special Attention in 2012-13

32 During 2012-13, the Branch will continue to oversee the progress made by HKO in replacing/upgrading various meteorological facilities for the Airport, including the weather radar for windshear detection.

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

ANALYSIS OF FINANCIAL PROVISION

Programme	2010-11 (Actual) (\$m)	2011-12 (Original) (\$m)	2011-12 (Revised) (\$m)	2012-13 (Estimate) (\$m)
(1) Director of Bureau's Office.....	9.7	11.6	7.1	12.0
(2) Commerce and Industry	132.0	150.7	149.0	151.2
(3) Subvention: Hong Kong Trade Development Council.....	374.5	378.3	378.3	383.9
(4) Posts, Competition Policy and Consumer Protection	17.7	59.7	9.7	90.6
(5) Subvention: Consumer Council.....	77.2	76.0	80.1	80.1
(6) Travel and Tourism.....	109.3	163.9	136.3	118.1
(7) Subvention: Hong Kong Tourism Board.....	501.0	514.5	521.5	544.1
(8) Public Safety	0.5	0.5	0.5	0.5
	<u>1,221.9</u>	<u>1,355.2</u>	<u>1,282.5</u> (-5.4%)	<u>1,380.5</u> (+7.6%)
				(or +1.9% on 2011-12 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2012-13 is \$4.9 million (69.0%) higher than the revised estimate for 2011-12. This is mainly due to the provision required for filling the position of Under Secretary for Commerce and Economic Development and the creation of one position of Political Assistant.

Programme (2)

Provision for 2012-13 is \$2.2 million (1.5%) higher than the revised estimate for 2011-12. This is mainly due to increased salary provision arising from staff changes and increased cash flow requirement for non-recurrent items.

Programme (3)

Provision for 2012-13 is \$5.6 million (1.5%) higher than the revised estimate for 2011-12. 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 a ceiling set at 60 per cent of the total amount of trade declaration charges received in the preceding year.

Programme (4)

Provision for 2012-13 is \$80.9 million (834.0%) higher than the revised estimate for 2011-12. This is mainly due to the provision for the establishment and operation of the Competition Commission should the Competition Bill be enacted within 2012-13.

Programme (5)

Provision for 2012-13 is comparable with the revised estimate for 2011-12.

Programme (6)

Provision for 2012-13 is \$18.2 million (13.4%) lower than the revised estimate for 2011-12. This is mainly due to the anticipated decrease of cash flow requirement for the Mega Events Fund.

Programme (7)

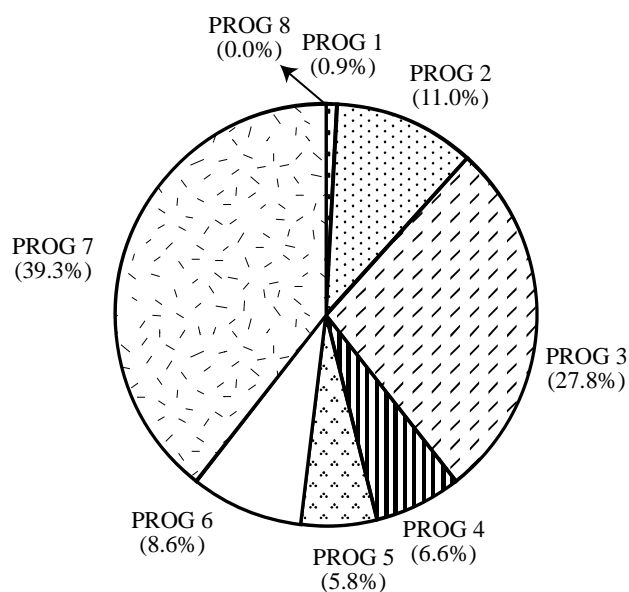
Provision for 2012-13 is \$22.6 million (4.3%) higher than the revised estimate for 2011-12. This is mainly due to the increased provision for strengthening marketing activities in emerging markets, promotion of cruise tourism and development of digital marketing.

Programme (8)

Provision for 2012-13 is comparable with the revised estimate for 2011-12.

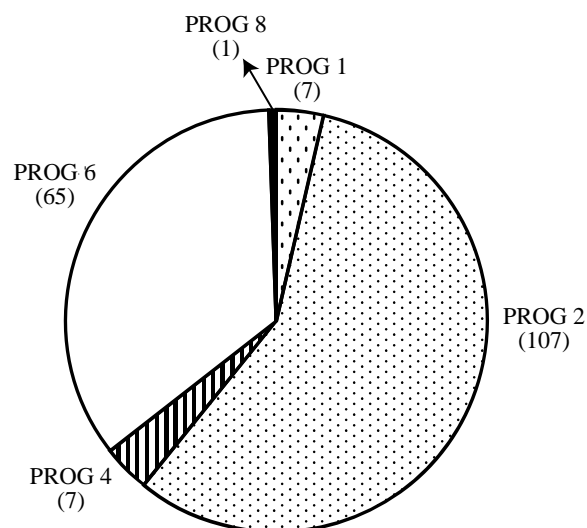
Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Allocation of provision to programmes (2012-13)



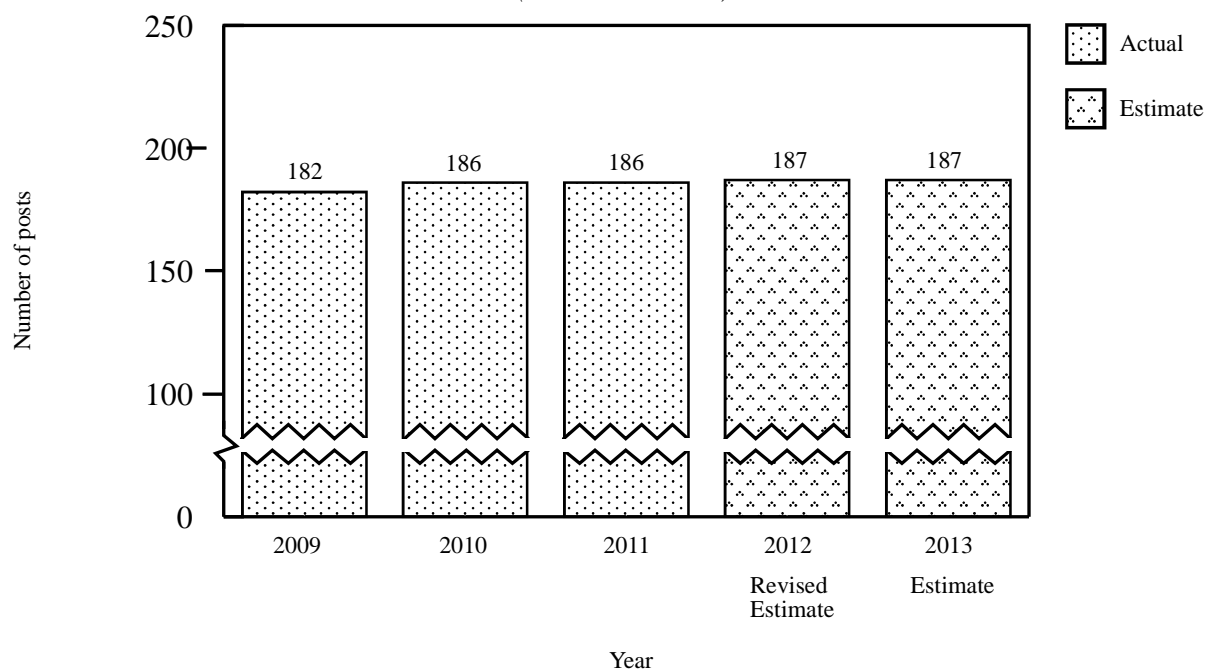
(Provision for PROG 8 represents 0.04% of the overall provision. The percentage is not shown here due to rounding)

Staff by programme (as at 31 March 2013)



(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 2010–11	Approved estimate 2011–12	Revised estimate 2011–12	Estimate 2012–13
		\$'000	\$'000	\$'000	\$'000
Operating Account					
	Recurrent				
000	Operational expenses	1,187,065	1,273,929	1,248,334	1,364,508
	Total, Recurrent	1,187,065	1,273,929	1,248,334	1,364,508
	Non-Recurrent				
700	General non-recurrent	33,755	81,313	34,141	15,975
	Total, Non-Recurrent	33,755	81,313	34,141	15,975
	Total, Operating Account	1,220,820	1,355,242	1,282,475	1,380,483
Capital Account					
	Subventions				
	Consumer Council	1,102	—	—	—
	Total, Subventions	1,102	—	—	—
	Total, Capital Account	1,102	—	—	—
	Total Expenditure	1,221,922	1,355,242	1,282,475	1,380,483

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 2012–13 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$1,380,483,000. This represents an increase of \$98,008,000 over the revised estimate for 2011–12 and of \$158,561,000 over actual expenditure in 2010–11.

Operating Account

Recurrent

2 Provision of \$1,364,508,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch. The increase of \$116,174,000 (9.3%) over the revised estimate for 2011–12 is mainly due to the provision reserved for the establishment and operation of Competition Commission and increased subventions.

3 The establishment as at 31 March 2012 will be 186 permanent posts and one supernumerary post. 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 \$81,224,000.

4 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	100,926	108,888	115,631	117,105
- Allowances	4,595	5,366	4,993	5,202
- Job-related allowances.....	—	4	3	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	228	114	162	77
- Civil Service Provident Fund contribution	1,168	2,102	1,978	2,504
- Disturbance allowance.....	134	178	134	191
Departmental Expenses				
- General departmental expenses	86,682	142,449	101,057	182,785
Other Charges				
- Subscription to the World Trade Organization.....	38,205	42,459	40,898	44,988
Subventions				
- Consumer Council	76,049	76,049	80,074	80,084
- Hong Kong - Japan Business Co-operation Committee	3,610	3,610	3,610	3,610
- Hong Kong Tourism Board	500,960	514,460	521,544	544,091
- Hong Kong Trade Development Council	374,508	378,250	378,250	383,867
	<u>1,187,065</u>	<u>1,273,929</u>	<u>1,248,334</u>	<u>1,364,508</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 31.3.2011	Revised estimated expenditure for 2011-12	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	012	Professional Services Development Assistance Scheme	100,000	82,522	6,000	11,478
	483	Launching campaign of major tourism infrastructure projects.....	8,600	8,263	—	337
	685	Development of Hong Kong's assessment capabilities for the operation of strategic trade controls ..	4,000	3,530	—	470
	862	Mega Events Fund	100,000	22,888	26,493	50,619
	945	Consultancy services for providing expert advice on the compliance with client's requirements and related matters in connection with the implementation of terminal operation and ancillary facilities for a new cruise terminal at Kai Tak	2,740	922	1,320	498
		Total	215,340	118,125	33,813	63,402