

**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 2013–14..... **\$324.7m**

Establishment ceiling 2013–14 (notional annual mid-point salary value) representing an estimated 131 non-directorate posts as at 31 March 2013 and as at 31 March 2014 **\$72.4m**

In addition, there will be an estimated 18 directorate posts as at 31 March 2013 and as at 31 March 2014.

Controlling Officer's Report

Programmes

Programme (1) Commercial Relations
Programme (2) Public Relations
Programme (3) Investment Promotion

These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

Detail

Programme (1): Commercial Relations

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	146.5	147.3	148.8 (+1.0%)	157.7 (+6.0%)
				(or +7.1% on 2012–13 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

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
meetings on trade-related matters attended.....	3 875	3 646	3 730
visits to host governments and trade organisations.....	1 294	1 325	1 310
seminars, exhibitions and workshops			
organised.....	198	221	210
participated.....	754	789	760
public speeches given.....	433	436	430
media interviews/briefings given.....	665	755	750
circulars/newsletters/press releases issued.....	893	864	810

Matters Requiring Special Attention in 2013–14

5 During 2013–14, 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 the Commerce and Economic Development Bureau and as appropriate, its family of departments on issues of special interests on the bilateral and multilateral fronts.

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Programme (2): Public Relations

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	107.1	107.4	108.4 (+0.9%)	115.0 (+6.1%)
				(or +7.1% on 2012–13 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 or regions under their purview, liaise with Hong Kong enterprises and people, and provide a comprehensive information and enquiry service about Hong Kong.

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

Indicators

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
call on senior government officials/organisations.....	1 762	1 728	1 730
public relations functions/events			
organised.....	681	710	710
participated.....	1 293	1 334	1 330
newsletters, pamphlets, press releases issued.....	1 371	1 327	1 270
no. of visitors assisted.....	2 308	2 569	2 470
public speeches given.....	460	472	460
media interviews/briefings given.....	789	834	830
enquiries handled.....	38 321	36 577	36 800

Matters Requiring Special Attention in 2013–14

9 During 2013–14, the overseas ETOs will continue to sustain and step up publicity and public relations efforts in North America, Europe, Australia, New Zealand, 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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	48.5	48.8	49.2 (+0.8%)	52.0 (+5.7%)
				(or +6.6% on 2012–13 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.

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.

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

Indicators

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
new projects generated#.....	298	322	356
projects pursued@.....	659	699	—
projects completed^.....	161	173	178

This is a new indicator showing the number of new projects generated in a year with potential to become completed projects in the coming 18 months. It is a more relevant indicator reflecting the investment promotion efforts in a particular year, discounting projects carried forward from previous years. This new indicator replaces the indicator “projects pursued” as from 2013.

@ This indicator is replaced by the new indicator “new projects generated” as from 2013.

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

Matters Requiring Special Attention in 2013–14

13 During 2013–14, 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	2011-12 (Actual) (\$m)	2012-13 (Original) (\$m)	2012-13 (Revised) (\$m)	2013-14 (Estimate) (\$m)
(1) Commercial Relations	146.5	147.3	148.8	157.7
(2) Public Relations	107.1	107.4	108.4	115.0
(3) Investment Promotion	48.5	48.8	49.2	52.0
	302.1	303.5	306.4 (+1.0%)	324.7 (+6.0%)
				(or +7.0% on 2012-13 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2013-14 is \$8.9 million (6.0%) higher than the revised estimate for 2012-13. This is mainly due to increased salary and allowance for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, and increased operating expenses.

Programme (2)

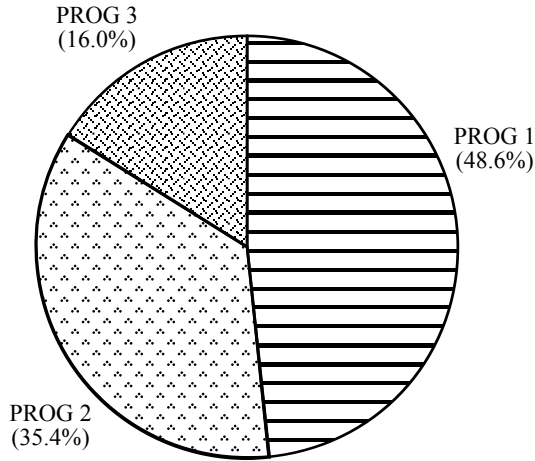
Provision for 2013-14 is \$6.6 million (6.1%) higher than the revised estimate for 2012-13. The reasons that account for the increase under Programme (1) above also apply here.

Programme (3)

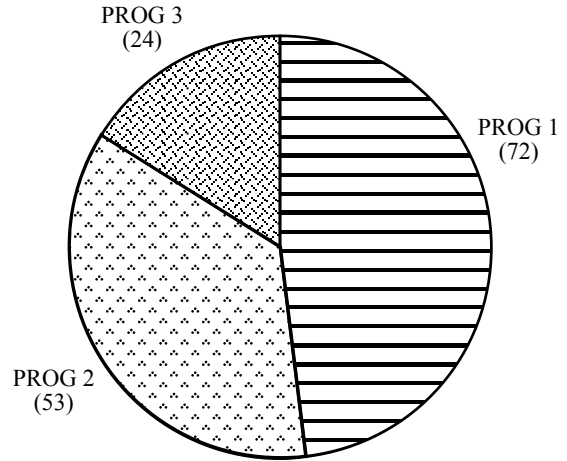
Provision for 2013-14 is \$2.8 million (5.7%) higher than the revised estimate for 2012-13. The reasons that account for the increase under Programme (1) above also apply here.

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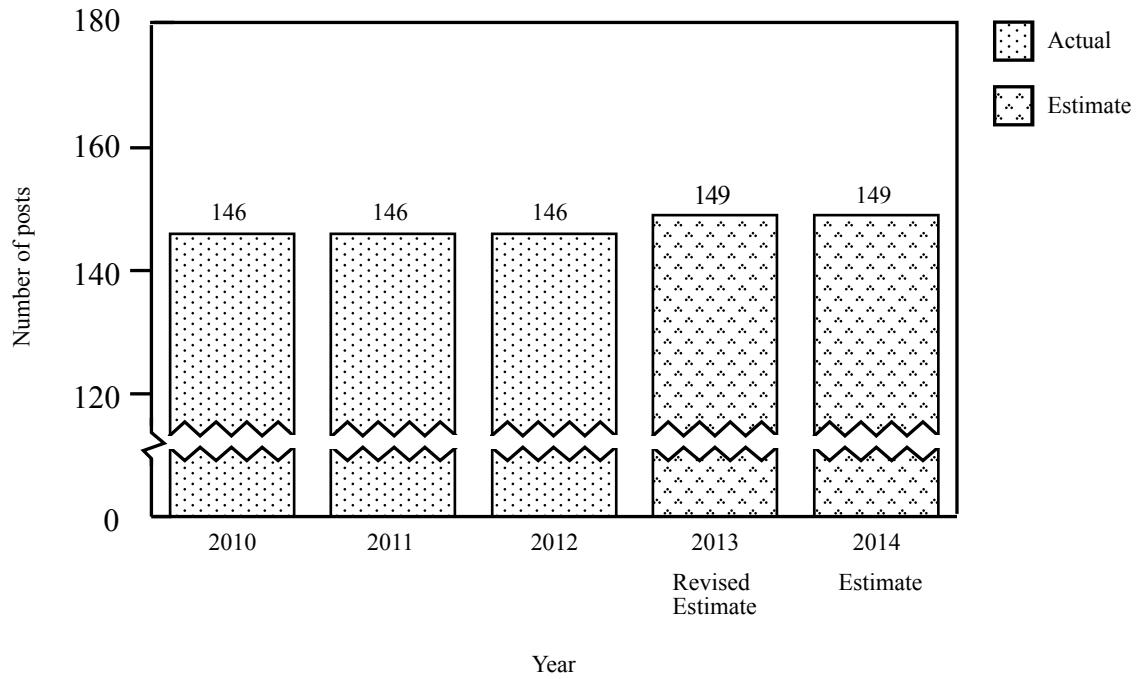
*Allocation of provision
to programmes
(2013-14)*



*Staff by programme
(as at 31 March 2014)*



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



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Sub-head (Code)	Actual expenditure 2011–12	Approved estimate 2012–13	Revised estimate 2012–13	Estimate 2013–14	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	299,991	303,129	306,019	324,678
	Total, Recurrent	299,991	303,129	306,019	324,678
Non-Recurrent					
	General non-recurrent	1,341	—	—	—
	Total, Non-Recurrent	1,341	—	—	—
	Total, Operating Account.....	301,332	303,129	306,019	324,678
Capital Account					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	780	417	378	—
	Total, Plant, Equipment and Works	780	417	378	—
	Total, Capital Account.....	780	417	378	—
	Total Expenditure	302,112	303,546	306,397	324,678

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Details of Expenditure by Subhead

The estimate of the amount required in 2013–14 for the salaries and expenses of the overseas Economic and Trade Offices (ETOs) is \$324,678,000. This represents an increase of \$18,281,000 over the revised estimate for 2012–13 and of \$22,566,000 over actual expenditure in 2011–12.

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\$8.06000
Canadian Dollar	1=HK\$7.88000
Euro	1=HK\$10.14500
Japanese Yen	1=HK\$0.092421
Pound Sterling	1=HK\$12.49500
Singapore Dollar	1=HK\$6.35000
Swiss Franc	1=HK\$8.36508

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 \$324,678,000 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 2013 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 2013–14. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2013–14, but the notional annual mid-point salary value of all such posts must not exceed \$72,369,000.

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

	2011–12 (Actual) (\$'000)	2012–13 (Original) (\$'000)	2012–13 (Revised) (\$'000)	2013–14 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	103,584	114,789	115,393	118,701
- Allowances	37,344	38,728	41,167	48,901
Personnel Related Expenses				
- Civil Service Provident Fund contribution	1,530	1,571	1,812	1,946
- Disturbance allowance.....	2,846	2,233	1,662	3,091
Departmental Expenses				
- General departmental expenses	111,442	106,058	105,963	110,969
Other Charges				
- Publicity.....	43,209	39,700	39,972	41,020
- Grants to organisations	36	50	50	50
	<hr/> 299,991	<hr/> 303,129	<hr/> 306,019	<hr/> 324,678