

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 2013–14	\$1,539.5m
Establishment ceiling 2013–14 (notional annual mid-point salary value) representing an estimated 168 non-directorate posts as at 31 March 2013 rising by five posts to 173 as at 31 March 2014	\$88.6m
In addition, there will be an estimated 19 directorate posts as at 31 March 2013 and as at 31 March 2014.	
Commitment balance	\$133.7m

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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	7.2	12.0	7.3 (-39.2%)	11.6 (+58.9%)
				(or -3.3% on 2012–13 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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	148.5	151.2	145.8 (–3.6%)	167.7 (+15.0%)
				(or +10.9% on 2012–13 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; 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, free trade agreements and investment promotion and protection 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 2012–13, 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;
- 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 and the Free Trade Agreement with the European Free Trade Association which entered into force between Hong Kong, Iceland, Liechtenstein and Switzerland in October 2012 as well as between Hong Kong and Norway in November 2012;
- oversaw the negotiation, conclusion and signing of the Free Trade Agreement with Chile in 2012;

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- oversaw the discussions with interested trading partners to enhance bilateral economic co-operation, including the exploration and negotiations of co-operation arrangements, free trade agreements and investment promotion and protection agreements;
- 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) and the Hong Kong Productivity Council (HKPC) to launch the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in June 2012 to assist Hong Kong enterprises in enhancing their competitiveness and exploring the Mainland market;
- obtained approval from the Finance Committee of the Legislative Council (LegCo) for the Government to provide a total loan guarantee commitment of \$100 billion for the Hong Kong Mortgage Corporation Limited to implement the time-limited special concessionary measures under its SME Financing Guarantee Scheme (SFGS) from 31 May 2012;
- 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;
- mapped out the way forward for further developing the patent system in Hong Kong;
- worked with stakeholders to enhance copyright protection in the digital environment;
- continued to oversee efforts aimed at promoting awareness of and respect for intellectual property rights in the business sector, including programmes designed to assist SMEs in particular to better manage and protect their intellectual property rights;
- worked with the Customs and Excise Department to launch the Authorised Economic Operator Programme in April 2012, whereby accredited companies may enjoy facilitation such as reduced inspection and prioritised clearance;
- 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 2013–14

7 During 2013–14, the Branch will:

- strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and emerging markets such as Southeast Asia, as well as to attract more multinational companies to set up regional or global operations in Hong Kong;
- 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, and participate in the Ninth WTO Ministerial Conference to be held in Bali, Indonesia in December 2013;
- 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 implementation of the Closer Economic Partnership Agreement with New Zealand and the Free Trade Agreement with the European Free Trade Association, as well as to prepare for the entry into force of the Free Trade Agreement with Chile;
- 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;

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- 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;
- provide secretariat services and relevant support to the new Economic Development Commission;
- work with TID and HKPC to implement the BUD Fund to support Hong Kong enterprises to develop their brands, upgrade and restructure their operations and promote sales in the Mainland domestic market;
- 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;
- 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 and the time-limited special concessionary measures under the SFGS;
- work with the Advisory Committee on Review of the Patent System on the implementation arrangements for further developing the patent system in Hong Kong;
- continue to work with stakeholders to enhance copyright protection in the digital environment;
- work with stakeholders to explore the development of intellectual property trading 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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	378.3	383.9	383.9 (—)	389.5 (+1.5%)
				(or +1.5% on 2012–13 Original)

Aim

8 The aim is to help the Hong Kong Trade Development Council (HKTDC) 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 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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10 The key performance measures in respect of promoting Hong Kong's external trade are:

Indicators

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
trade and services promotion			
events	800	796	800
companies participating	71 063	71 146	71 600
local fairs			
no. of the Mainland and overseas buyers	374 335	358 692	366 000
no. of fairs	35	35	35
business-matching enquiries worldwide			
no. of business enquiries handled	1 390 000	2 080 000	2 288 000
no. of business connections made	13 528 000	14 000 000	14 000 000
trade publications			
worldwide circulation (million)@	2.3	2.5	2.5
no. of issues	121	122	104
no. of advertisers on HKTDC's trade portal (hktcd.com)	31 900	33 000	33 400

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

Matters Requiring Special Attention in 2013–14

11 During 2013–14, the HKTDC will:

- help Hong Kong companies maximise opportunities created by the reshaping of the global economy; help Hong Kong companies expand into South and Southeast Asia; help Hong Kong SMEs identify export opportunities in emerging markets; assist Hong Kong companies to develop their brands and extend their penetration into the Mainland consumer market; capitalise on the opportunities arising from the Central Government's policies and supportive measures to better promote Hong Kong's services with particular focus on the pilot schemes in Guangdong; position Hong Kong as a reliable resource and partner for Mainland enterprises venturing into overseas investment; showcase Hong Kong as the premier platform for companies from developed economies to tap into the Mainland and Asian markets; extend sectoral promotions in Taiwan to leverage the improved cross-strait relations; and help Hong Kong companies leverage opportunities in the food and agricultural sector;
- champion Hong Kong's role as Asia's central business district for the global economy; fortify Hong Kong's position as a leading global financial centre, highlighting its strengths in offshore Renminbi businesses, fund raising and asset management; build high-profile international events in Hong Kong to promote Hong Kong as Asia's service hub; promote Hong Kong as an intellectual property trading platform; strengthen the role of HKTDC fairs as business and marketing platforms; reinforce Hong Kong's trendsetting capabilities and enhance integration with the local community through lifestyle events; and strengthen connections between buyers and suppliers by further integrating the virtual and physical marketplaces to foster a holistic experience of online-offline sourcing on a year-round basis; and
- sharpen HKTDC's capabilities to serve and nurture a new breed of SMEs; strengthen HKTDC's entrepreneurial programme to better support the younger generation of SMEs; help SMEs explore new production areas involving lower cost; assist SMEs to develop their marketing capabilities through database development, enhanced customer service and office network; and develop the HKTDC as a more customer-oriented organisation through proactive outreach programmes for stakeholders and the use of social media tools.

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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	7.6	90.6	15.5 (-82.9%)	93.3 (+501.9%)
				(or +3.0% on 2012–13 Original)

Aim

12 The aims are to promote economic efficiency in the delivery of postal services; to promote competition; and to protect consumer interests.

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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.

14 During 2012–13, the Branch:

- published the annual report of Competition Policy Advisory Group (COMPAG) for the year 2011–12 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- secured the passage of the Competition Bill and began preparation work on the establishment of a Competition Commission and a Competition Tribunal;
- worked closely with the previous term of LegCo in its scrutiny of the Trade Descriptions (Unfair Trade Practices) (Amendment) Bill 2012. The Bill was enacted before the end of the term; and
- consulted the public on a proposal to impose concentration limits of phthalates in selected classes of toys and child care products which aims to provide greater protection for toddlers.

Matters Requiring Special Attention in 2013–14

15 During 2013–14, the Branch will:

- make arrangements to bring the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Ordinance no. 25 of 2012) into operation as soon as possible and keep in view its effectiveness in tackling unfair trade practices that may be deployed in consumer transactions;
- subject to the outcome of the public consultation exercise, introduce into LegCo draft legislation to give effect to the proposal to impose concentration limits of phthalates;
- establish the Competition Commission and the Competition Tribunal and continue preparatory work for the full implementation of the Competition Ordinance (Cap. 619); and
- continue to ensure the smooth operation of the Post Office Trading Fund and take measures to improve customer service and productivity where appropriate.

Programme (5): Subvention: Consumer Council

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	80.1	80.1	83.8 (+4.6%)	89.3 (+6.6%)
				(or +11.5% on 2012–13 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 ; 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	2011 (Actual)	2012 (Actual)	2013 (Plan)
handling consumer enquiries				
telephone calls answered within three minutes (%).....	80	80	85	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	14	12	12
handling consumer complaints				
telephone calls answered within three minutes (%).....	80	80	85	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

	2011 (Actual)	2012 (Actual)	2013 (Plan)
consumer complaints	27 541	27 326	32 000
consumer enquiries	104 750	104 909	114 000
product tests^.....	45	43	43
consumer surveys^	19	27	27
in-depth studies^.....	40	25	25
studies of general interest^	16	16	16
response to consultation from the Government and other public bodies#	26	26	26
consumer educational programmes.....	212	215	215
circulation of publications	310 000	325 000	330 000

^ Each year, CC conducts product tests, consumer surveys, in-depth studies and studies of general interest. Manpower and resources are deployed in accordance with the respective resource demands of researches and studies scheduled for the year.

Number of response to consultation is reactive in nature. The figure for the coming year is an indicative forecast only, which is subject to the number of consultation conducted by the Government and other public bodies during the year.

Matters Requiring Special Attention in 2013–14

19 During 2013–14, the Council will:

- enhance co-operation with law enforcement agencies in areas such as case referral and market intelligence in view of the impending implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012;
- 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 1 500 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. 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;

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- enhance awareness of consumers in respect of their rights under the Competition Ordinance, the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 and the Residential Properties (First-hand Sales) Ordinance (Cap. 621) and promote amongst traders compliance awareness and understanding of the above legislations;
- adopt accessibility design for the CC's official website to conform with the Web Content Accessibility Guidelines 2.0 Standard to ensure that contents are accessible by people with disabilities; and
- continue to monitor trade practices and alert consumers through appropriate channels.

Programme (6): Travel and Tourism

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	125.7	118.1	146.6 (+24.1%)	224.4 (+53.1%)
				(or +90.0% on 2012–13 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 2012–13, the Branch:
- continued to support the Travel Industry Council of Hong Kong (TIC) in implementing measures for regulating the operation of the Mainland inbound tour groups and improving the regulation of tourist guides;
 - continued with the regulation of travel agents under the existing operation and regulatory framework of the tourism sector;
 - commenced the drafting of the new legislation and other preparation for the establishment of the proposed statutory Travel Industry Authority (TIA) under the new 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 new markets as well as non-Guangdong provinces of the Mainland;
 - continued to work with the HKTB to enhance promotion of Hong Kong as a premier Meetings, Incentive Travels, Conventions and Exhibitions (MICE) destination and offer necessary 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 Kai Tak Cruise Terminal 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 Corporation and facilitated its proposed Tai Shue Wan development and hotel development projects;
 - continued to utilise the Mega Events Fund for supporting large-scale arts, cultural, sports and entertainment events in Hong Kong organised by local non-profit-making bodies under Tier 2 of the modified two-tier scheme;
 - 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 promote 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 2013–14

23 During 2013–14, the Branch will:

- continue to co-ordinate work on policy and project initiatives to facilitate tourism development;
- continue with the preparation for the establishment of the statutory TIA and implementation of the new 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 marketing efforts in new 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 Kai Tak Cruise Terminal and work closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continue to work through the joint venture company on the further expansion and hotel development of the Hong Kong Disneyland to enhance its attractiveness to different groups of visitors and long-term competitiveness;
- continue to work closely with the Ocean Park Corporation to facilitate it in taking forward the proposed Tai Shue Wan development and hotel development projects with a view to strengthening Hong Kong’s position as a premier destination for family visitors in the region; and
- continue to work with the HKTB, the tourism sector and relevant government departments in promoting nature-based tourism products in Hong Kong.

Programme (7): Subvention: Hong Kong Tourism Board

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	521.5	544.1	555.2 (+2.0%)	563.2 (+1.4%)
				(or +3.5% on 2012–13 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 and 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.

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.

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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

	2011 (Actual)	2012 (Revised Estimate) Δ	2013 (Estimate) Δ
visitor arrivals (million).....	41.9	48.6	51.9
increase on previous year (%) Ψ	+16.4	+16.0	+6.8
tourism expenditure associated with inbound tourism (\$ billion) \aleph	263.1	306.5	330.3
increase on previous year (%) Ψ	+24.0	+16.5	+7.7
expenditure per capita overnight visitor (\$) Ω	7,470	7,819	7,995
increase on previous year (%) Ψ	+11.0	+4.7	+2.2
length of stay of overnight visitors (nights) β	3.6	3.5	3.5
satisfaction of overnight visitors (score out of 10) β	8.3	8.3	8.3

Δ 2012 revised estimate and 2013 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.

\aleph 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 2011 was \$52.2 billion. The projections for 2012 and 2013 are \$60.9 billion and \$63.9 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 2013–14

28 During 2013–14, the HKTB will:

- adopt the following marketing strategies in the face of uncertain global economic conditions:
 - focusing 71 per cent of total marketing investment on international markets (excluding the Mainland) to diversify visitor portfolio;
 - prioritising marketing investment to areas of growth; and
 - implementing integrated marketing activities, including tactical co-operation with overseas trade in key long-haul and short-haul markets;
- continue to leverage the "Asia's world city" thematic marketing platform to showcase Hong Kong's core and emerging tourism strengths, as well as its cosmopolitan appeal, so as to reinforce the destination image across key source markets;
- utilise digital media and creative publicity programmes to strengthen brand awareness and exposure, including:
 - leveraging the newly enhanced digital platforms (e.g. DiscoverHongKong.com website, YouTube and fan pages on social networking sites such as Facebook, Sina Weibo and WeChat, as well as mobile apps) to extend promotional reach and engage target consumer segments; and
 - launching publicity generation campaigns for mega events (e.g. Hong Kong Summer Spectacular, Hong Kong Wine and Dine Festival and Hong Kong WinterFest) and major promotional windows through television networks, online news, mobile channels, etc.;
- continue to adopt ten major promotional campaigns throughout the year and further enrich and upgrade product offerings of the campaigns to increase destination appeal by:
 - enhancing contents and quality of programmes of mega events and campaigns, while continuing efforts to solicit new sponsorships and co-operative partners from different sectors;
 - expanding offerings by bundling more high-appeal third-party events, while drumming up publicity for green, arts and cultural products; and
 - co-operating with and helping the Hong Kong travel trade to develop new tour products on mega events, multi-destination travel and for new markets;

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- cultivate business opportunities for the travel trade by revamping the format of trade shows, travel missions and familiarisation programmes, such as adding new elements at trade shows, to bring greater value to trade participants;
- uphold satisfaction for visitors by:
 - stepping up marketing and promotions for the Quality Tourism Services Scheme, and developing new mobile apps to facilitate free independent travellers and increase their satisfaction;
 - enhancing collaboration with major tourist areas such as shopping malls and hotel concierges on providing visitors with information and assistance; and
 - launching a hospitality campaign in Hong Kong to foster a friendly culture and ambience that contribute to the positive visitor experience;
- generate more MICE arrivals, including:
 - providing marketing resources behind attendance generation programmes such as “Business Right Here” to drive attendance with organisers and trade partners;
 - promoting facilities and venues on Lantau Island and new hotels to enrich product offerings for accommodating various group sizes;
 - securing high-profile conventions and exhibitions to enhance the position of Hong Kong as the World’s Meeting Place; and
 - exploring convention business in six key industry sectors, namely medical, medical science, social science, computer science, engineering, as well as energy and environment;
- promote Hong Kong as a leading cruise hub in the region by:
 - driving more ship calls to Hong Kong through a co-op marketing fund;
 - driving consumer demand and facilitating development of new itineraries and shore excursion programmes; and
 - supporting the opening of the Kai Tak Cruise Terminal in 2013; and
- continue co-operation with cities in the Pan-Pearl River Delta to develop and promote multi-destination itineraries featuring Hong Kong.

Programme (8): Public Safety

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	0.5	0.5	0.5 (—)	0.5 (—)
				(or same as 2012–13 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 2012–13, 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 2013–14

32 During 2013–14, the Branch will:

- continue to oversee the progress made by HKO in replacing and upgrading various meteorological facilities.

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

ANALYSIS OF FINANCIAL PROVISION

Programme	2011-12 (Actual) (\$m)	2012-13 (Original) (\$m)	2012-13 (Revised) (\$m)	2013-14 (Estimate) (\$m)
(1) Director of Bureau's Office.....	7.2	12.0	7.3	11.6
(2) Commerce and Industry	148.5	151.2	145.8	167.7
(3) Subvention: Hong Kong Trade Development Council.....	378.3	383.9	383.9	389.5
(4) Posts, Competition Policy and Consumer Protection.....	7.6	90.6	15.5	93.3
(5) Subvention: Consumer Council.....	80.1	80.1	83.8	89.3
(6) Travel and Tourism.....	125.7	118.1	146.6	224.4
(7) Subvention: Hong Kong Tourism Board.....	521.5	544.1	555.2	563.2
(8) Public Safety	0.5	0.5	0.5	0.5
	<u>1,269.4</u>	<u>1,380.5</u>	<u>1,338.6</u> (-3.0%)	<u>1,539.5</u> (+15.0%)
				(or +11.5% on 2012-13 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2013-14 is \$4.3 million (58.9%) higher than the revised estimate for 2012-13. This is mainly due to the provision required for filling the positions of Under Secretary for Commerce and Economic Development and Political Assistant.

Programme (2)

Provision for 2013-14 is \$21.9 million (15.0%) higher than the revised estimate for 2012-13. This is mainly due to increased provision for providing secretariat services and relevant support to the new Economic Development Commission, increased estimate for the subscription to the WTO and increased salary provision for the creation of posts and staff changes. In addition, four posts will be created in 2013-14.

Programme (3)

Provision for 2013-14 is \$5.6 million (1.5%) higher than the revised estimate for 2012-13. The actual amount of annual subvention to the HKTDC is determined having regard to a number of factors, including the Government's financial position, HKTDC's funding requirements and by way of reference to the total amount of trade declaration charges received in the preceding year.

Programme (4)

Provision for 2013-14 is \$77.8 million (501.9%) higher than the revised estimate for 2012-13. This is mainly due to the provision for the establishment and operation of the Competition Commission. In addition, one post will be created in 2013-14.

Programme (5)

Provision for 2013-14 is \$5.5 million (6.6%) higher than the revised estimate for 2012-13. This is mainly due to the provision of additional subvention in support of an enhanced role of the CC after the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012.

Programme (6)

Provision for 2013-14 is \$77.8 million (53.1%) higher than the revised estimate for 2012-13. This is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal.

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Programme (7)

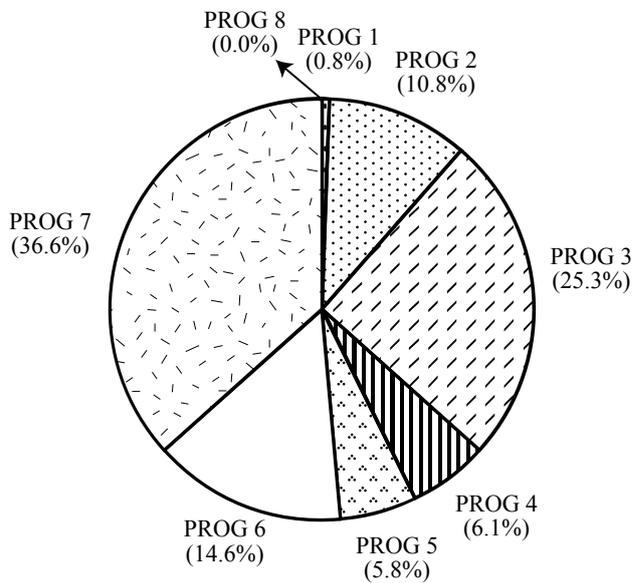
Provision for 2013–14 is \$8.0 million (1.4%) higher than the revised estimate for 2012–13. This is mainly due to the provision required for launching a hospitality campaign and stepping up cruise marketing activities.

Programme (8)

Provision for 2013–14 is comparable with the revised estimate for 2012–13.

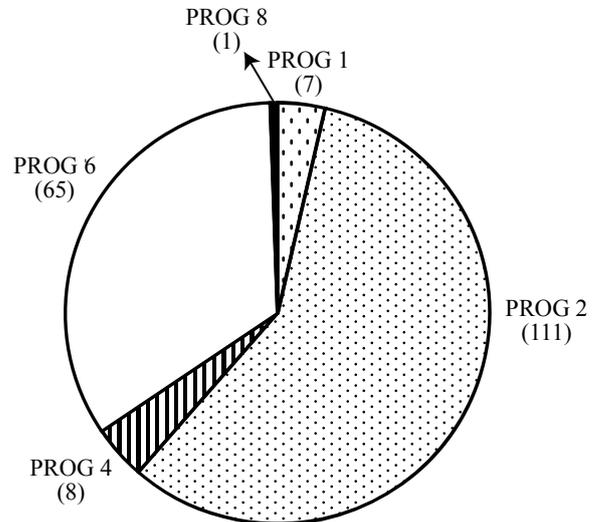
Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Allocation of provision to programmes (2013-14)



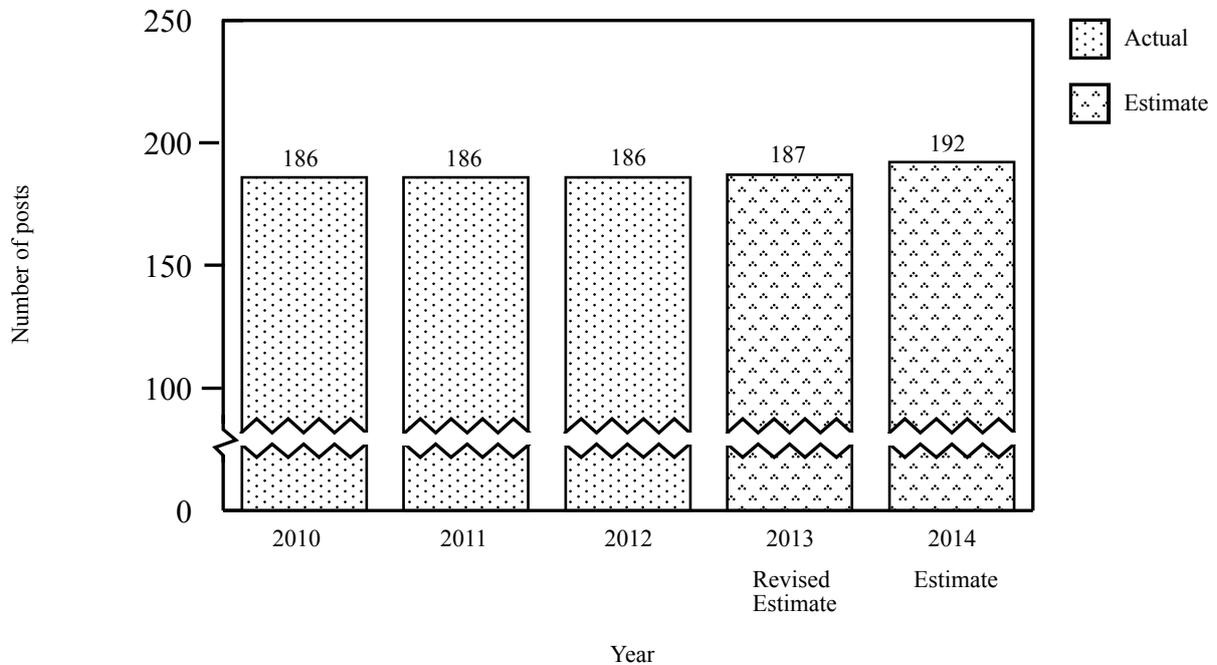
(Provision for PROG 8 represents 0.03 per cent of the overall provision. The percentage is not shown here due to rounding)

Staff by programme (as at 31 March 2014)



(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 2011-12	Approved estimate 2012-13	Revised estimate 2012-13	Estimate 2013-14	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	1,245,379	1,364,508	1,300,784	1,505,328
	Total, Recurrent	<u>1,245,379</u>	<u>1,364,508</u>	<u>1,300,784</u>	<u>1,505,328</u>
Non-Recurrent					
700	General non-recurrent	24,069	15,975	37,828	34,147
	Total, Non-Recurrent	<u>24,069</u>	<u>15,975</u>	<u>37,828</u>	<u>34,147</u>
	Total, Operating Account.....	<u>1,269,448</u>	<u>1,380,483</u>	<u>1,338,612</u>	<u>1,539,475</u>
<hr/>					
	Total Expenditure	<u><u>1,269,448</u></u>	<u><u>1,380,483</u></u>	<u><u>1,338,612</u></u>	<u><u>1,539,475</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 2013–14 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$1,539,475,000. This represents an increase of \$200,863,000 over the revised estimate for 2012–13 and of \$270,027,000 over actual expenditure in 2011–12.

Operating Account

Recurrent

2 Provision of \$1,505,328,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch. The increase of \$204,544,000 (15.7%) over the revised estimate for 2012–13 is mainly due to the provision for the establishment and operation of Competition Commission, increased subventions, and increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal.

3 The establishment as at 31 March 2013 will be 186 permanent posts and one supernumerary post. It is expected there will be a net increase of five posts 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 \$88,607,000.

4 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	113,961	117,105	118,532	128,743
- Allowances	4,969	5,202	6,339	5,315
- Job-related allowances.....	—	4	3	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution	155	77	212	130
- Civil Service Provident Fund contribution	2,128	2,504	2,811	3,496
- Disturbance allowance.....	37	191	—	184
Departmental Expenses				
- General departmental expenses	99,753	182,785	104,067	275,187
Other Charges				
- Subscription to the World Trade Organization.....	40,898	44,988	42,391	46,631
Subventions				
- Consumer Council	80,074	80,084	83,752	89,254
- Hong Kong - Japan Business Co-operation Committee	3,610	3,610	3,610	3,610
- Hong Kong Tourism Board	521,544	544,091	555,200	563,237
- Hong Kong Trade Development Council	378,250	383,867	383,867	389,537
	1,245,379	1,364,508	1,300,784	1,505,328

**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 31.3.2012	Revised estimated expenditure for 2012–13	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
012	Professional Services Development Assistance Scheme		100,000	88,416	3,500	8,084
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	160	310
834	Mega Events Fund		150,000	—	25,000	125,000
	Total		<u>262,600</u>	<u>100,209</u>	<u>28,660</u>	<u>133,731</u>