

## 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.

|  |                     |
|--|---------------------|
| <b>Estimate 2019–20</b> .....  | <b>\$3,171.3m</b>   |
| <b>Establishment ceiling 2019–20</b> (notional annual mid-point salary value) representing an estimated 242 non-directorate posts as at 31 March 2019 rising by 30 posts to 272 posts as at 31 March 2020..... | <b>\$200.0m</b>     |
| In addition, there will be an estimated 26 directorate posts as at 31 March 2019 and as at 31 March 2020.  |                     |
| <b>Commitment balance</b> .....  | <b>\$100,418.2m</b> |

### Controlling Officer's Report

#### Programmes

|   |  |
|---|--|
| <b>Programme (1) Director of Bureau's Office</b>  | This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Commerce and Economic Development).                       |
| <b>Programme (2) Commerce and Industry</b><br><b>Programme (3) Subvention: Hong Kong Trade Development Council</b>          | These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).                             |
| <b>Programme (4) Posts, Competition Policy and Consumer Protection</b><br><b>Programme (5) Subvention: Consumer Council</b> | These programmes contribute to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development). |
| <b>Programme (6) Travel and Tourism</b><br><b>Programme (7) Subvention: Hong Kong Tourism Board</b>                         | These programmes contribute to Policy Area 5: Travel and Tourism (Secretary for Commerce and Economic Development).                                |
| <b>Programme (8) Public Safety</b>  | This programme contributes to Policy Area 7: Public Safety (Secretary for Commerce and Economic Development).                                      |
| <b>Programme (9) Subvention: Competition Commission</b>   | This programme contributes to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development).  |

#### Detail

##### Programme (1): Director of Bureau's Office

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>     |
|---------------------------|---------------------|-----------------------|----------------------|-----------------------------------|
| Financial provision (\$m) | 12.6                | 13.2                  | 13.5<br>(+2.3%)      | <b>13.8</b><br>(+2.2%)            |
|                           |                     |                       |                      | (or +4.5% on<br>2018–19 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**

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>     |
|---------------------------|---------------------|-----------------------|----------------------|-----------------------------------|
| Financial provision (\$m) | 213.3               | 599.7                 | 300.1<br>(–50.0%)    | <b>616.5</b><br>(+105.4%)         |
|                           |                     |                       |                      | (or +2.8% on<br>2018–19 Original) |

***Aim***

4 The aims are to encourage Hong Kong's trading partners, through multilateral, regional and bilateral means, to remove barriers to trade and investment; 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), particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), and the Belt and Road Initiative; to attract external direct investment into Hong Kong; to maintain a modern and comprehensive intellectual property (IP) regime which complies fully with international standards and serves Hong Kong's needs; and to foster exchanges and co-operation with Taiwan.

***Brief Description***

5 The Commerce, Industry and Tourism Branch's main responsibilities under this programme are to:

- lead and co-ordinate the work on the Belt and Road Initiative, including strategy formulation and implementation of programmes and measures with a view to seeking out Belt and Road related business opportunities;
- oversee the policy work related to the overseas Economic and Trade Offices (ETOs), including expanding the ETO network and enhancing their functions;
- 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, services and investment;
- formulate policies to attract more external direct investment into Hong Kong;
- foster friendship and understanding between the business communities of Hong Kong and our major markets;
- formulate policies to support SMEs;
- formulate policies relating to IP;
- formulate policies and implementation proposals on the development of a trade single window (TSW) in Hong Kong;
- 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 (FTAs) and investment promotion and protection agreements;
- provide support to local businesses operating in the Mainland; and
- support the further development of wine-related businesses in Hong Kong.

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6 During 2018–19, the Branch:

- pursued actively the Belt and Road Initiative by setting up a Joint Conference mechanism with the Mainland authorities and convening its first meeting in June 2018 to follow up on the implementation of measures set out in the “Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong’s Full Participation in and Contribution to the Belt and Road Initiative” (the Arrangement); co-organising the third Belt and Road Summit with the Hong Kong Trade Development Council (HKTDC) in June 2018; organising a series of sharing sessions, seminars and events to promote strategic partnership and project interfacing between enterprises and professional services sector in Hong Kong and on the Mainland; supporting activities which would enhance the capacity of the Hong Kong professional services sector under the Initiative; and organising and participating in various business and professional missions to explore opportunities in the Belt and Road related countries and regions;
- carried out preparatory work for setting up five new ETOs in Bangkok (Thailand), Dubai (United Arab Emirates), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively;
- closely monitored the trade protection measures adopted by the United States (US) since early 2018 and the developments of the trade conflicts between the US and the Mainland and their impact on Hong Kong’s economy, maintained close communication with the trade and responded timely to their needs by introducing targeted measures to assist the trade in developing markets and identifying risks;
- in view of the trade conflicts between the US and the Mainland, worked with the Trade and Industry Department (TID) in enhancing their funding schemes, including introducing (1) the Association of Southeast Asian Nations (ASEAN) Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in August 2018 to assist Hong Kong enterprises to strengthen their competitiveness and further business development in the ASEAN markets, and (2) a higher cumulative funding ceiling per enterprise under the Mainland Programme;
- extended the application period of the time-limited special concessionary measures under the SME Financing Guarantee Scheme (SFGS) of the HKMC Insurance Limited to 30 June 2019 and implemented enhancement measures to help SMEs to cope with the impact arising from the trade conflicts between the US and the Mainland;
- worked with the Hong Kong Export Credit Insurance Corporation (HKECIC) to assist Hong Kong exporters, including the introduction of enhanced measures for strengthening the support and protection to Hong Kong exporters amid the trade conflicts between the US and the Mainland;
- oversaw implementation of measures to strengthen institutional arrangements and support services for promotion of inward investment into Hong Kong;
- worked on the planning for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong’s convention and exhibition industry;
- continued to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry;
- continued to implement the Professional Services Advancement Support Scheme (PASS) to provide funding support for non-profit-making industry-led projects aimed at increasing the exchanges and co-operation of Hong Kong’s professional services with their counterparts in external markets, promoting relevant publicity activities, and enhancing the standards and external competitiveness of Hong Kong’s professional services;
- continued to oversee the implementation of various measures to promote Hong Kong as a premier IP trading hub in the Asia-Pacific region, and amended the law to expand the scope of profits tax deductions for capital expenditure incurred by enterprises for the purchase of IP rights from five types to eight types with effect from the year of assessment 2018/19;
- oversaw the preparation for the implementation of the Original Grant Patent system in Hong Kong;
- oversaw the preparation for the application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) to Hong Kong;
- oversaw the preparation for the legislative exercise to enhance the copyright exceptions for persons with print disabilities along the requirements under the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (Marrakesh Treaty);
- continued to oversee efforts aimed at promoting awareness of and respect for IP rights in the community and the business sector;
- launched TSW Phase 1 progressively from December 2018, and continued to work with relevant government departments and engage stakeholders in developing detailed proposals for implementation of Phases 2 and 3;
- monitored the operation of the Government Electronic Trading Services (GETS) and oversaw the inception of new contracts for continuous provision of GETS from 2019 to 2024;
- amended the law to cap the import and export declaration charge at \$200 with effect from 1 August 2018;

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- continued to work with the Customs and Excise Department (C&ED) to promote the Single E-Lock Scheme, the Hong Kong Authorised Economic Operator Programme and the Free Trade Agreement Transhipment Facilitation Scheme;
- oversaw participation in the work of the WTO, including safeguarding Hong Kong's rights through monitoring of and responding to the trade restrictive measures which impacted on Hong Kong's trade interests and brought systemic risks to the multilateral trading system;
- oversaw participation in the APEC for strengthening regional economic integration, expanding trade, and assessing its progress towards the goal of free and open trade and investment in the region;
- oversaw discussions with the Mainland on further market liberalisation and facilitation of trade and investment through CEPA, and on ensuring smooth implementation of the measures announced;
- oversaw discussions with trading partners on enhancements to economic co-operation through establishing, for example, co-operation arrangements, FTAs and investment promotion and protection agreements;
- oversaw the conclusion and signing of an FTA with Georgia and the conclusion of negotiations of FTAs with Maldives and Australia respectively;
- maintained close liaison with the Mainland authorities and assisted the trade in understanding and coping with challenges arising from the Mainland's new policies and policy adjustments on processing trade;
- co-ordinated Hong Kong's participation in the first China International Import Expo (CIIE) in Shanghai;
- continued efforts in fostering co-operation with Taiwan on trade, investment and tourism fronts; and
- continued to implement measures to support the further development of wine-related businesses in Hong Kong including trade and investment promotion, facilitation measure for wine re-exports to the Mainland, and collaboration with trading partners in wine-related education and manpower training.

### ***Matters Requiring Special Attention in 2019–20***

7 During 2019–20, the Branch will:

- continue to consolidate Hong Kong's unique advantages as the prime platform and a key link for the Belt and Road Initiative by engaging in policy dialogues with the Mainland authorities and following up on the implementation of the Arrangement through the second Joint Conference to be held in mid-2019; organising a high-level delegation to participate in the second Belt and Road Forum for International Co-operation to be held in Beijing in April 2019; co-organising with HKTDC the fourth Belt and Road Summit on 11 and 12 September 2019; spearheading high-level business and professional missions in conjunction with HKTDC and the industries to explore emerging markets and identify business opportunities in Belt and Road related countries and regions; supporting HKTDC in enhancing its Belt and Road Portal into a more comprehensive and current one-stop Belt and Road platform; and promoting closer partnership between enterprises and professional services sector in Hong Kong and in the Mainland to "going global" en bloc under the Initiative;
- strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and overseas, including the Belt and Road related countries and regions, as well as to attract more multinational companies to set up regional or global operations in Hong Kong;
- continue to carry out preparatory work for setting up the Dubai, Moscow, Mumbai and Seoul ETOs, in addition to opening the Bangkok ETO in early 2019; and to strengthen policy work related to ETOs, including formulating strategies on expanding the ETO network and enhancing their functions;
- continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation;
- continue to oversee discussions or negotiations with trading partners on enhancements of economic co-operation;
- continue to oversee collaboration among agencies responsible for promoting trade and inward investment;
- continue to closely monitor the trade protection measures adopted by the US and the developments of the trade conflicts between the US and the Mainland and their impact on Hong Kong's economy; continue to maintain close communication with the trade and consider introducing further measures to provide timely support to the trade as necessary;
- continue to work with the TID and Hong Kong Productivity Council to implement the enhanced BUD Fund to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and ASEAN markets;
- in view of the trade conflicts between the US and the Mainland, work with the TID in considering measures to further enhance the support for SMEs including measures to enhance the various government funding schemes to assist Hong Kong enterprises to cope with the impact of the trade conflicts;

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- extend the application period of the time-limited special concessionary measures under the SFGS and the validity of the enhancements for one year to 30 June 2020 and continue to monitor their operation;
- continue to work with the HKECIC to assist Hong Kong exporters;
- continue to work with the related industries to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to plan for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong's convention and exhibition industry;
- continue to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry;
- continue to implement PASS to provide funding support for non-profit-making industry-led projects by trade and industrial organisations and professional bodies, etc.;
- continue to oversee the efforts to promote Hong Kong as a premier IP trading hub in the region;
- continue to oversee the efforts to establish the Original Grant Patent system for implementation in 2019;
- amend the Trade Marks Ordinance (Cap. 559) to, among others, implement the international trade mark registration system under the Madrid Protocol in Hong Kong;
- amend the Copyright Ordinance (Cap. 528) to enhance the copyright exceptions for persons with print disabilities along the requirements under the Marrakesh Treaty, taking into account views received during public consultation;
- continue to oversee efforts to promote awareness of and respect for IP rights in the community and the business sector, particularly amongst SMEs;
- work with relevant government departments in pressing ahead with the TSW initiative, and develop detailed proposals for implementation of Phases 2 and 3;
- continue to monitor the operation of GETS under the new contracts commencing on 1 January 2019;
- continue to work with the C&ED to promote the Single E-Lock Scheme, the Hong Kong Authorised Economic Operator Programme and the Free Trade Agreement Transshipment Facilitation Scheme;
- continue to oversee participation in the work of the WTO;
- continue to oversee participation in the work of the APEC;
- continue to oversee efforts for seeking better market access and facilitation of trade and investment in the Mainland through CEPA, and for ensuring effective implementation of the measures announced;
- continue to pursue the signing of FTAs with Maldives and Australia respectively upon completion of the necessary procedures;
- continue to maintain close communication with the Mainland authorities and assist the trade in adjusting to changes in the Mainland's policies on processing trade;
- continue to co-ordinate Hong Kong's participation in the CIIE;
- continue efforts in fostering co-operation between Hong Kong and Taiwan on trade, investment and tourism matters; and
- continue to support the further development of wine-related businesses in Hong Kong.

**Programme (3): Subvention: Hong Kong Trade Development Council**

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b> |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 385.5               | 435.5                 | 435.5<br>(—)         | <b>435.5<br/>(—)</b>          |

(or same as  
2018–19 Original)

***Aim***

8 The aim is to help the 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 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.

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### *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 50 offices worldwide, including 13 in the Mainland, the HKTDC:

- promotes Hong Kong as a platform for doing business with the Mainland and worldwide, as a commercial hub for the Belt and Road Initiative, and as a two-way platform for the Greater Bay Area;
- organises trade fairs and major conferences, e-marketplace on hktdc.com, international trade promotion events and business missions to help Hong Kong companies seize opportunities in the Mainland and around the world;
- provides market information through trade publications, research reports and its research portal, and a market intelligence website “Hong Kong Means Business”;
- organises workshops to assist Hong Kong companies to enhance their capabilities; 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 43 Hong Kong business associations in 32 countries.

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

### *Indicators*

|  | 2017<br>(Actual) | 2018<br>(Actual) | 2019<br>(Estimate) |
|--|------------------|------------------|--------------------|
| trade and services promotion                                 |                  |                  |                    |
| events .....   | 833              | 863              | 869                |
| companies participating .....                                | 78 015           | 80 682           | 82 100             |
| local fairs  |                  |                  |                    |
| no. of Mainland and overseas buyers .....                    | 424 082          | 444 128          | 448 400            |
| no. of fairs .....   | 37               | 37               | 37                 |
| business-matching enquiries worldwide                        |                  |                  |                    |
| no. of business enquiries handled .....                      | 3 209 279        | 3 214 311        | 3 215 000          |
| no. of business connections made .....                       | 19 777 546       | 19 870 396       | 19 880 000         |
| trade publications   |                  |                  |                    |
| worldwide circulation (million) .....                        | 3.1              | 3.1              | 3.1                |
| no. of issues .....  | 130              | 116              | 117                |
| no. of advertisers on HKTDC’s trade portal (hktdc.com) ..... | 32 430           | 29 768           | 30 000             |

### *Matters Requiring Special Attention in 2019–20*

11 During 2019–20, the HKTDC will strengthen efforts to:

- help Hong Kong companies capture opportunities amid uncertain export environment;
- position Hong Kong as the commercial platform for Belt and Road Initiative to reinforce its central role as a two-way investment and business hub of Asia;
- equip start-ups and a new generation of Hong Kong businesses to become future ready.

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

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | 2019–20<br>(Estimate)              |
|---------------------------|---------------------|-----------------------|----------------------|------------------------------------|
| Financial provision (\$m) | 9.6                 | 20.0                  | 20.7<br>(+3.5%)      | 10.7<br>(–48.3%)                   |
|                           |                     |                       |                      | (or –46.5% on<br>2018–19 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 2018–19, the Branch:

- monitored the implementation of the Competition Ordinance (Cap. 619) (CO);
- published the annual report of the Competition Policy Advisory Group (COMPAG) for the year 2017 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- conducted a public consultation on the proposed framework for implementing a statutory cooling-off period on beauty and fitness services consumer contracts;
- monitored the implementation of the amended Trade Descriptions Ordinance (Cap. 362) in tackling unfair trade practices that might be deployed in consumer transactions;
- ensured the smooth operation of the Post Office Trading Fund (POTF) and implementation of improvement measures in customer service and productivity where appropriate; and
- obtained funding for the capital project to re-provision the Hongkong Post's Headquarters.

### ***Matters Requiring Special Attention in 2019–20***

**15** During 2019–20, the Branch will:

- continue to monitor the implementation of the CO in tackling anti-competitive conduct in all sectors;
- consider the views collected during public consultation on the proposed framework for implementing a statutory cooling-off period on beauty and fitness services consumer contracts, with a view to finalising the framework and preparing the relevant legislative proposal;
- continue to monitor the implementation of the amended Trade Descriptions Ordinance in tackling unfair trade practices that may be deployed in consumer transactions;
- continue to ensure the smooth operation of the POTF and improvement in customer service and productivity where appropriate;
- continue to monitor the project to re-provision the Hongkong Post's Headquarters; and
- monitor the progress of POTF's feasibility studies on redevelopment of the Air Mail Centre.

### **Programme (5): Subvention: Consumer Council**

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>      |
|---------------------------|---------------------|-----------------------|----------------------|------------------------------------|
| Financial provision (\$m) | 108.8               | 115.6                 | 117.5<br>(+1.6%)     | <b>131.8</b><br>(+12.2%)           |
|                           |                     |                       |                      | (or +14.0% on<br>2018–19 Original) |

### ***Aim***

**16** The aim is to protect and promote the interests of consumers of goods and services.

### ***Brief Description***

**17** The Consumer Council (the Council) 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 | 2017<br>(Actual) | 2018<br>(Actual) | 2019<br>(Plan) |
|--|--------|------------------|------------------|----------------|
| handling consumer enquiries  |        |                  |                  |                |
| telephone calls answered within three minutes (%).....   | 80     | 87               | 86               | <b>86</b>      |
| waiting time for over-the-counter enquiry service not to exceed ten minutes (%).....                         | 100    | 100              | 100              | <b>100</b>     |
| issuing reply in writing within 15 working days (%)◇.....  | 100    | 100              | 100              | <b>100</b>     |
| handling consumer complaints   |        |                  |                  |                |
| telephone calls answered within three minutes (%).....   | 80     | 85               | 84               | <b>84</b>      |
| in writing   |        |                  |                  |                |
| issuing preliminary reply within seven working days (%)υ.....  | 100    | 99.6             | 99.2             | <b>100</b>     |
| notifying complainants of results/progress within 16 working days (%)ω.....                                  | 100    | 99.8             | 99.7             | <b>100</b>     |
| publications of “CHOICE” and release of product testing, research and survey results once per month (%)..... | 100    | 100              | 100              | <b>100</b>     |

◇ This target replaces the previous target “issuing reply in writing (working days)” as from 2018.

υ This target replaces the previous target “issuing preliminary reply (working days)” as from 2018.

ω This target replaces the previous target “notifying complainants of results/progress (working days)” as from 2018.

**Indicators**

|  | 2017<br>(Actual) | 2018<br>(Actual) | 2019<br>(Estimate) |
|--|------------------|------------------|--------------------|
| consumer complaints.....   | 24 881           | 26 165           | <b>25 000</b>      |
| consumer enquiries.....  | 82 085           | 77 952           | <b>78 000</b>      |
| product tests^.....  | 44               | 44               | <b>44</b>          |
| consumer surveys^.....   | 30               | 29               | <b>30</b>          |
| in-depth studies^.....   | 22               | 17               | <b>17</b>          |
| studies of general interest^.....  | 19               | 19               | <b>19</b>          |
| response to consultation from the Government and other public bodies#..... | 14               | 12               | <b>12</b>          |
| consumer educational programmes.....                                       | 224              | 225              | <b>220</b>         |
| circulation of publications.....   | 302 950          | 295 500          | <b>295 500</b>     |

^ Each year, the Council 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.

# The number of responses to consultation depends on the number of consultations conducted by Government and other public bodies during the year. The figure for the coming year is an indicative forecast only.

**Matters Requiring Special Attention in 2019–20**

19 During 2019–20, the Council will:

- continue the development of the “CHOICE” Magazine by building a mobile-optimised online version;
- further enhance the features of Online Price Watch; and
- redevelop the Council’s official website with a view to making it more user-friendly, easier to navigate and more interactive.



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**Programme (6): Travel and Tourism**

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>      |
|---------------------------|---------------------|-----------------------|----------------------|------------------------------------|
| Financial provision (\$m) | 204.5               | 370.8                 | 347.9<br>(–6.2%)     | <b>735.8</b><br>(+111.5%)          |
|                           |                     |                       |                      | (or +98.4% on<br>2018–19 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, relevant government departments and agencies.

**22** During 2018–19, the Branch:

- initiated co-ordination with government departments and relevant bodies on policy and projects/initiatives to promote tourism development. Projects included “Revitalisation of Dr Sun Yat-sen Historical Trail”, the “FIA Formula E Hong Kong E-Prix”, etc.;
- supported the Hong Kong Tourism Board (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;
- co-organised with the HKTB and the Travel Industry Council of Hong Kong (TIC) the Hong Kong International Tourism Convention under the themes of Belt and Road Initiative and the Greater Bay Area development;
- continued to monitor the implementation of pilot schemes by the HKTB on promoting in-depth green tourism, attracting transit passengers and supporting tourism events showcasing Hong Kong’s local characteristics;
- co-ordinated with the HKTB and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine;
- collaborated with the HKTB and relevant parties to stage the enhanced “A Symphony of Lights”;
- worked with the HKTB to carry out a light installation project at the Central Harbourfront;
- continued the 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 prominent MICE events;
- worked with the HKTB, the tourism sector and relevant government departments to promote the green tourism products on offer in Hong Kong;
- continued to work with the trade, the HKTB, the TIC, the Consumer Council and the Mainland authorities to promote quality and honest tourism;
- continued to monitor and support the operation of the HKTB;
- continued to monitor the operation 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 take forward the expansion projects of the Hong Kong Disneyland Resort under its expansion and development plan;
- collaborated with the Hong Kong Design Centre to launch the creative tourism project “Design District Hong Kong”;
- continued with the housekeeping responsibility for the Ocean Park Corporation and facilitated its implementation of the waterpark and hotel projects;
- supported the Ocean Park Corporation in promoting education tourism and staging a new 3D project-cum-water light show to enhance its competitiveness and attract more family segment visitors;
- continued to work with the TIC on the regulation of travel agents, tourist guides and tour escorts under the existing regulatory framework of the travel industry;

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

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- continued to support the TIC in implementing and enhancing the Pilot Information Technology Development Matching Fund Scheme for Travel Agents to encourage travel agents to use information technology to enhance their service quality, strengthen their information system security, implement the electronic levy system, etc.;
- supported the TIC in developing a new web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, and arranged visits for Hong Kong travel agents to the Greater Bay Area to deepen co-operation with the Mainland trade and open up related business opportunities;
- secured the passage of the Travel Industry Bill by the Legislative Council for the establishment of the Travel Industry Authority under the new regulatory framework of the travel industry;
- liaised with relevant Mainland authorities to take forward the “Agreement on Further Enhancement of Tourism Co-operation between the Mainland and Hong Kong” signed with the former China National Tourism Administration (currently the Ministry of Culture and Tourism);
- co-ordinated with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park, Ngong Ping 360 and the peak tramway;
- continued to monitor the implementation of the pilot scheme on food trucks and conducted a review of the scheme; and
- launched the first official landing page “Visit Hong Kong” ([visithongkong.gov.hk](http://visithongkong.gov.hk)) to facilitate visitors to access key tourism information on mobile devices, particularly when they use free Wi-Fi services at key control points including the Hong Kong International Airport, the West Kowloon Station of the Express Rail Link and the Passenger Clearance Building of the Hong Kong-Zhuhai-Macao Bridge.

### ***Matters Requiring Special Attention in 2019–20***

**23** During 2019–20, the Branch will:

- continue to take forward the implementation of the Development Blueprint for Hong Kong’s Tourism Industry (Development Blueprint) by launching various new initiatives as outlined in the 2019–20 Budget to enrich tourism offerings, support tourist attractions and the tourism sector, promote smart tourism, and enhance the service quality of the travel trade, including:
  - launching a new tourism project along the two sides of the Victoria Harbour (including major tourist spots such as Central and Tsim Sha Tsui) that makes use of augmented reality and multimedia and creative technology to enable visitors to experience the historical landscape and community culture;
  - working with relevant government departments, including the Agriculture, Fisheries and Conservation Department and the Civil Engineering and Development Department, to diversify and promote the green tourism products on offer in Hong Kong through enhancing the tourism supporting facilities of hiking trails, developing a hiking hub in Lantau, as well as commissioning a consultancy study to review the facilities of the Hong Kong Wetland Park;
  - further developing and maintaining the official landing page to provide visitors with useful tourist information which includes terminal facilities, events/festivals and attractions in Hong Kong, transport, shopping, dining and hotels, as well as promotional offers;
  - supporting the TIC in strengthening its web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, promoting business co-operation through trade forums or exchange visits in Belt and Road related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives; and
  - commissioning a consultancy study on smart tourism development for planning and implementation of relevant initiatives;
- continue to co-ordinate work on policy and ongoing projects/initiatives to facilitate tourism development, including the “FIA Formula E Hong Kong E-Prix” and “A Symphony of Lights”, etc.;
- continue to work with the HKTB to enhance promotion of Hong Kong as a premier MICE destination and offer necessary support to prominent MICE events;
- continue to work closely with the Advisory Committee on Cruise Industry, the operators of the two cruise terminals, and the HKTB to develop Hong Kong into a leading cruise hub in the region;
- continue to take forward the expansion projects of the Hong Kong Disneyland Resort under its expansion and development plan to maintain its attractiveness and competitiveness;
- continue to take forward the creative tourism project with creative, artistic and cultural elements at selected districts, and organise a new pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai;
- continue to work closely with the Ocean Park Corporation to facilitate its implementation of the waterpark and hotel projects, as well as its education tourism and light show projects, with a view to strengthening Hong Kong’s position as a premier destination in the region;

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- support the Ocean Park Corporation in reviewing its strategic positioning and future development plan, with a view to enhancing its competitiveness and bringing more comprehensive entertainment experience to visitors;
- continue to co-ordinate with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park, Ngong Ping 360 and the peak tramway;
- continue to monitor the implementation of the pilot scheme on food trucks during the two-year extension period and explore further refinement measures where appropriate;
- continue to explore the plan to develop the site reserved for the Kai Tak Tourism Node;
- continue to liaise with relevant Mainland authorities to facilitate the implementation of CEPA and other tourism-related measures;
- continue to monitor and support the promotion work of the HKTB in key source markets, its marketing efforts in new markets and development and promotion of multi-destination tourism products as enshrined in the Development Blueprint;
- continue to monitor the implementation of pilot scheme by the HKTB on supporting tourism events showcasing Hong Kong's local characteristics;
- continue to work with the HKTB, the tourism sector, tourist attractions and relevant government departments in promoting tourism products in Hong Kong as enshrined in the Development Blueprint;
- continue to work with the trade, the HKTB, the TIC, the Consumer Council and the Mainland authorities to promote quality and honest tourism;
- continue to work with the TIC on the regulation of travel agents, tourist guides and tour escorts under the existing regulatory framework of the travel industry; and
- prepare for the establishment of the Travel Industry Authority.

**Programme (7): Subvention: Hong Kong Tourism Board**

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>      |
|---------------------------|---------------------|-----------------------|----------------------|------------------------------------|
| Financial provision (\$m) | 951.2               | 950.9                 | 962.6<br>(+1.2%)     | <b>1,070.2</b><br>(+11.2%)         |
|                           |                     |                       |                      | (or +12.5% on<br>2018–19 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 of 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

|  | 2017<br>(Actual) | 2018<br>(Revised<br>Estimate) $\Delta$ | 2019<br>(Estimate) $\Delta$ |
|--|------------------|--|-----------------------------|
| visitor arrivals (million) .....   | 58.5             | 65.1                                   | <b>66.4</b>                 |
| increase on previous year (%) $\Psi$ .....                                     | +3.2             | +11.4                                  | <b>+1.9</b>                 |
| tourism expenditure associated with inbound<br>tourism (\$ billion) $\P$ ..... | 296.7            | 332.6                                  | <b>327.4</b>                |
| change over the previous year (%) $\Psi$ .....                                 | +1.0             | +12.1                                  | <b>-1.6</b>                 |
| per capita expenditure of overnight visitor (\$) $\Omega$ .....                | 6,443            | 6,607                                  | <b>6,195</b>                |
| change over the previous year (%) $\Psi$ .....                                 | -2.4             | +2.5                                   | <b>-6.2</b>                 |
| length of stay of overnight visitors (nights) $\beta$ .....                    | 3.2              | 3.1                                    | <b>3.1</b>                  |
| satisfaction of overnight visitors (score out of 10) $\beta$ .....             | 8.4              | 8.6                                    | <b>8.6</b>                  |

$\Delta$  The 2018 revised estimate and 2019 estimate are subject to changes arising from unforeseen global or regional economic uncertainties, security threats and health risks.

$\Psi$  The percentage change is based on the comparison of absolute figures before rounding up.

$\P$  This includes receipts of Hong Kong-based carriers for the cross-boundary transportation of non-resident visitors as estimated by the Census and Statistics Department. The expenditure was \$49.6 billion for 2017. The projections for 2018 and 2019 are \$52.1 billion and \$53.3 billion respectively.

$\Omega$  Spending by servicemen, aircrew members and transit/transfer passengers is excluded.

$\beta$  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 2019–20

28 During 2019–20, the HKTB will:

- adopt the following investment strategies to diversify the visitor portfolio, maximise cost-effectiveness and uphold Hong Kong's standing as a premier tourism destination:
  - putting efforts and resources in 20 key visitor source markets and prioritising marketing resources to areas of growth;
  - deploying 77 per cent of its total marketing budget to the non-Mainland markets; and the remaining 23 per cent to the Mainland market, of which 90 per cent will be deployed to non-Guangdong region; and
  - exploring and cultivating potentials of new visitor source markets;
- raise Hong Kong's destination appeals through digital marketing, social media and public relations programmes to showcase the diverse experiences and the new tourism offerings by:
  - dialling up brand message "Best of All, it's in Hong Kong" to "Discover Hong Kong Like a Local" by launching new thematic advertising creatives and brand videos, to showcase the city's unique and diversified experience so as to establish differentiation from other destinations;
  - expanding reach to consumers by utilising social media platforms, working with different partners, agencies and key opinion leaders to co-create sharable content and engaging stories on Hong Kong travel experiences, launching public relations promotion through different digital platforms, including the DiscoverHongKong.com website, YouTube and social media sites, and mobile applications, etc., and developing partnership with relevant dining and fast moving consumer goods website; and
  - continuing to capitalise on high-impact international partnership with regional TV networks and news channels to maximise exposure and publicity for Hong Kong;
- drive MICE tourism and consolidate Hong Kong's image as the "World's meeting place" by:
  - continuing to put forward competitive bidding packages to win large and medium-sized international MICE events; providing support to local associations and tailored services for MICE organisers and visitors, and partnering with association management companies and business associations, with a view to bringing more high-profile MICE events to Hong Kong;
  - cultivating the growth of small-sized MICE groups; and
  - continuously showcasing Hong Kong's edges and offerings to entice more MICE organisers to host their events in Hong Kong;

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

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- promote the development of cruise tourism and reinforce Hong Kong's position as a leading cruise hub in the region by:
  - continuing to cultivate key source markets (e.g. Southern and Western China, India, Taiwan and Southeast Asia and North Asia) through promotions;
  - continuing to promote the Asia Cruise Cooperation partnering port network and launch trade marketing campaigns, with a view to driving ship deployment to Hong Kong;
  - continuing to promote fly-cruise tourism and rail-cruise tourism through general promotion and partnerships with cruise lines and travel agents;
  - raising Hong Kong's profile and maintaining its exposure at international and regional cruise industry events; and
  - continuing to support cruise lines for retaining and cultivating future deployment through retention incentive, and maiden deployment packages;
- reinforce the attractiveness of Hong Kong as a multi-experience destination by enriching the city's event offerings and core experiences through:
  - continuing to stage light shows and enhanced “A Symphony of Lights” to showcase the night vista of Hong Kong;
  - continuing to support and publicise different signature/international events and home grown events;
  - promoting Hong Kong's unique historical/heritage/cultural tourism through district programmes of “Hong Kong Neighbourhoods”;
  - promoting Hong Kong's green tourism products on offer through “Hong Kong Back Garden” campaign and supporting trail run events; and
  - promoting art and design offerings of Hong Kong;
- open up more business opportunities for the travel and related trades by:
  - waiving half of the participation fee in trade shows;
  - continuing to participate in overseas trade shows and organise travel missions and familiarisation programmes for the travel trade to facilitate their reaching out to counterparts and consumers, while striving to add value to participants, as well as inviting new members from the Hong Kong travel and related trade to join these activities;
  - generating further exposure of new tour products in visitor source markets by stepping up promotion of these products, as well as encouraging the local trade to develop new tour products through the New Tour Product Development Scheme;
  - continuing to promote family and short break campaigns; and
  - launching promotion campaign on “2019 Hong Kong-Japan Tourism Year”;
- further develop and promote multi-destination tourism products to capitalise on opportunities arising from the Greater Bay Area development by:
  - sustaining the promotion of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and Hong Kong-Zhuhai-Macao Bridge through various channels;
  - developing and promoting multi-destination tourism products with emphasis on Hong Kong as the gateway to Southern China;
  - drawing arrivals from short-haul markets with significant air capacity growth to Hong Kong; and
  - continuing co-operation with Guangdong, Macao and other regional destinations;
- enhance visitor satisfaction by:
  - launching promotion campaign on the 20th anniversary of Quality Tourism Scheme to reinvigorate quality service and hospitality culture;
  - launching promotion campaigns to increase visitors' awareness of the Quality Tourism Services and “Quality and Honest Hong Kong Tours” schemes; and
  - rolling out self-service kiosks to all visitor service centres and expanding Hong Kong Pals programme; and

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- promote smart tourism by:
  - rebuilding DiscoverHongKong.com to improve digital/social media capabilities for enhancing user experience and facilitating personalisation so as to inspire and engage consumers;
  - strengthening partnership with online service providers on information provision to visitors to assist them in planning their trips and in-town travelling, as well as in locating and visiting Quality Tourism Scheme merchants; and
  - expanding QR code placement to major MTR stations and utilising AI chatbot technology to assist in handling visitors' enquiries.

### Programme (8): Public Safety

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>    |
|---------------------------|---------------------|-----------------------|----------------------|----------------------------------|
| Financial provision (\$m) | 0.5                 | 0.5                   | 0.5<br>(—)           | <b>0.5<br/>(—)</b>               |
|                           |                     |                       |                      | (or same as<br>2018–19 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 2018–19, the Branch oversaw the provision of weather services to the general public as well as the aviation, shipping and other sectors with special requirements.

#### *Matters Requiring Special Attention in 2019–20*

32 During 2019–20, the Branch will continue to oversee the provision of weather information services by the Hong Kong Observatory, including the enhanced provision of such services through social media, and the promotion of the mobile application "MyFlightWx" developed by the Hong Kong Observatory to provide electronically latest inflight weather information to flight crew.

### Programme (9): Subvention: Competition Commission

|                           | 2017–18<br>(Actual) | 2018–19<br>(Original) | 2018–19<br>(Revised) | <b>2019–20<br/>(Estimate)</b>      |
|---------------------------|---------------------|-----------------------|----------------------|------------------------------------|
| Financial provision (\$m) | 80.2                | 127.5                 | 133.4<br>(+4.6%)     | <b>156.5<br/>(+17.3%)</b>          |
|                           |                     |                       |                      | (or +22.7% on<br>2018–19 Original) |

#### *Aim*

33 The aim is to help the Commission to implement the CO.

#### *Brief Description*

34 The Commission is an independent statutory body established under the CO in 2013. The Commission's statutory functions are to:

- investigate conduct that may contravene the competition rules and enforce the provisions of the CO;
- promote public understanding of the value of competition and how the CO promotes competition;
- promote the adoption by undertakings carrying on business in Hong Kong of appropriate internal controls and risk management systems, to ensure their compliance with the CO;
- advise the Government on competition matters in Hong Kong and outside Hong Kong;

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- conduct market studies into matters affecting competition in markets in Hong Kong; and
- promote research into and the development of skills in relation to the legal, economic and policy aspects of competition law in Hong Kong.

35 The key performance measures are:

**Targets#**

|  | Target | 2017<br>(Actual) | 2018<br>(Actual) | 2019<br>(Plan) |
|--|--------|------------------|------------------|----------------|
| handling enquiries and complaints  |        |                  |                  |                |
| acknowledge enquiries or complaints within two working days of receipt (%) .....                       | 95     | —                | 99               | 95             |
| reply to enquiries or complaints on the result or progress within 28 working days of receipt (%) ..... | 95     | —                | 95               | 95             |
| handling applications for Decisions and Block Exemption Orders   |        |                  |                  |                |
| acknowledge applications within two working days of receipt (%) ....                                   | 95     | —                | N.A.             | 95             |
| respond to requests for fee waiver or reduction within seven working days of receipt (%).....          | 95     | —                | N.A.             | 95             |
| handling requests for seminars and presentations   |        |                  |                  |                |
| acknowledge requests within two working days of receipt (%) ....                                       | 95     | —                | 98               | 95             |
| respond to requests within ten working days of receipt (%) .....                                       | 95     | —                | 98               | 95             |

**Indicators#**

|  | 2017<br>(Actual) | 2018<br>(Actual) | 2019<br>(Estimate) |
|--|------------------|------------------|--------------------|
| enforcement  |                  |                  |                    |
| enquiries or complaints received.....  | 767              | 756              | 800                |
| initial assessments commenced@.....  | 33               | 24               | — <sup>^</sup>     |
| cases escalated to in-depth investigations (% of cases initially assessed)@..... | 15               | 25               | — <sup>^</sup>     |
| cases brought to the Competition Tribunal.....                                   | 2                | 1                | — <sup>^</sup>     |
| applications for Decisions and Block Exemption Orders                            |                  |                  |                    |
| received.....  | 1                | 0                | — <sup>^</sup>     |
| major market study launched .....  | 1                | 1                | 1                  |
| publicity and advocacy   |                  |                  |                    |
| major publicity or education campaigns launched.....                             | 2                | 2                | 2                  |
| events, seminars, conferences and exhibitions conducted.....                     | 84               | 91               | 70                 |
| major international events, seminars and conferences participated in .....       | 8                | 8                | 8                  |
| newsletters published .....  | 3                | 3                | 3                  |

# New targets and indicators as from 2018.

@ The Commission considers any enquiry and complaint it receives, and escalates those warranting further assessment to the Initial Assessment phase, and subsequently to in-depth investigation.

<sup>^</sup> Not possible to estimate.

**Matters Requiring Special Attention in 2019–20**

36 During 2019–20, the Commission will:

- continue to handle complaints of and conduct investigations into cases alleging to contravene a competition rule and to escalate suitable cases to in-depth investigations;
- continue the in-depth investigation with the aim to settling suitable cases by issuing warning notices or commitments or bringing cases to the Competition Tribunal;
- continue the litigation processes for cases already brought to the Competition Tribunal;

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

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- continue to promote understanding and compliance of the CO by businesses and the public through campaigns, education programmes, outreach activities, publications, seminars and presentations;
- continue to consider applications for Decisions whether or not an agreement or conduct is excluded or exempt from the First or Second Conduct Rules and for Block Exemption Orders; and
- continue to advise the Government and public bodies on competition matters.



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

**ANALYSIS OF FINANCIAL PROVISION**

| <b>Programme</b>  | 2017–18<br>(Actual)<br>(\$m) | 2018–19<br>(Original)<br>(\$m) | 2018–19<br>(Revised)<br>(\$m) | 2019–20<br>(Estimate)<br>(\$m)             |
|---|------------------------------|--------------------------------|-------------------------------|--|
| (1) Director of Bureau’s Office .....                         | 12.6                         | 13.2                           | 13.5                          | <b>13.8</b>                                |
| (2) Commerce and Industry .....                               | 213.3                        | 599.7                          | 300.1                         | <b>616.5</b>                               |
| (3) Subvention: Hong Kong Trade<br>Development Council.....   | 385.5                        | 435.5                          | 435.5                         | <b>435.5</b>                               |
| (4) Posts, Competition Policy and<br>Consumer Protection..... | 9.6                          | 20.0                           | 20.7                          | <b>10.7</b>                                |
| (5) Subvention: Consumer Council .....                        | 108.8                        | 115.6                          | 117.5                         | <b>131.8</b>                               |
| (6) Travel and Tourism.....                                   | 204.5                        | 370.8                          | 347.9                         | <b>735.8</b>                               |
| (7) Subvention: Hong Kong Tourism<br>Board.....               | 951.2                        | 950.9                          | 962.6                         | <b>1,070.2</b>                             |
| (8) Public Safety .....                                       | 0.5                          | 0.5                            | 0.5                           | <b>0.5</b>                                 |
| (9) Subvention: Competition<br>Commission .....               | 80.2                         | 127.5                          | 133.4                         | <b>156.5</b>                               |
|   | 1,966.2                      | 2,633.7                        | 2,331.7<br>(–11.5%)           | <b>3,171.3</b><br><b>(+36.0%)</b>          |
|   |                              |                                |                               | <b>(or +20.4% on<br/>2018–19 Original)</b> |

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2019–20 is \$0.3 million (2.2%) higher than the revised estimate for 2018–19. This is mainly due to the increased provision for salary expenses. In addition, one post will be created in 2019–20.

**Programme (2)**

Provision for 2019–20 is \$316.4 million (105.4%) higher than the revised estimate for 2018–19. This is mainly due to the increase in cash flow requirement for the SFGS – Special Concessionary Measures and the Professional Services Advancement Support Scheme, the increased provision to the Belt and Road Office and the Single Window Project Management Office, the increased estimate for the subscription to the WTO, as well as increase in salary and departmental expenses. In addition, 23 posts will be created in 2019–20.

**Programme (3)**

Provision for 2019–20 is the same as the revised estimate for 2018–19. The actual amount of annual subvention to the HKTDC is determined having regard to a number of factors, including the Government’s financial position and HKTDC’s funding requirements.

**Programme (4)**

Provision for 2019–20 is \$10.0 million (48.3%) lower than the revised estimate for 2018–19. This is mainly due to the lapse of the injection to the Consumer Legal Action Fund.

**Programme (5)**

Provision for 2019–20 is \$14.3 million (12.2%) higher than the revised estimate for 2018–19. This is mainly due to the additional funding for strengthening the manpower support for the Research and Testing Division of the Consumer Council, meeting increased expenditure on testing fees, implementing enhancements to “CHOICE” Magazine, redeveloping the Council’s website and carrying out other information technology improvement projects.

**Programme (6)**

Provision for 2019–20 is \$387.9 million (111.5%) higher than the revised estimate for 2018–19. This is mainly due to the funding for establishing the Travel Industry Authority and the new provision for taking forward new initiatives under the Development Blueprint. In addition, six posts will be created in 2019–20.

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

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**Programme (7)**

Provision for 2019–20 is \$107.6 million (11.2%) higher than the revised estimate for 2018–19. This is mainly due to the additional provision for strengthening promotion in overseas source markets as well as enhancing support and promotion of tourism products.

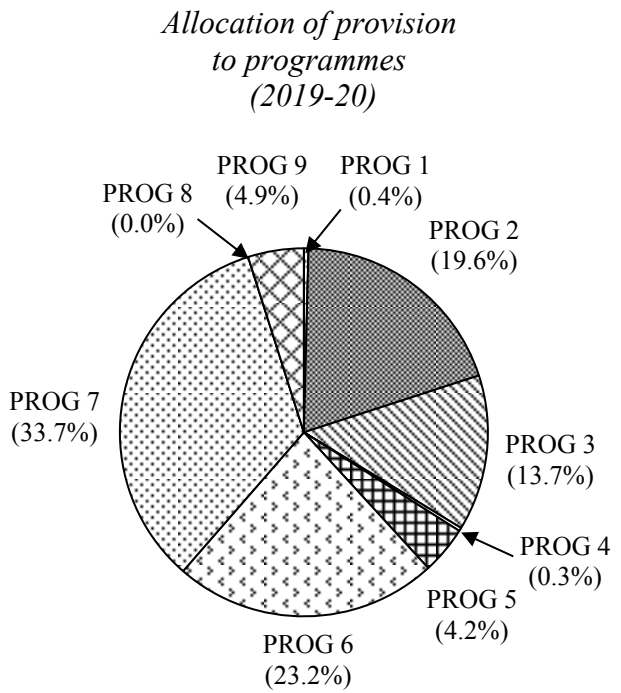
**Programme (8)**

Provision for 2019–20 is the same as the revised estimate for 2018–19.

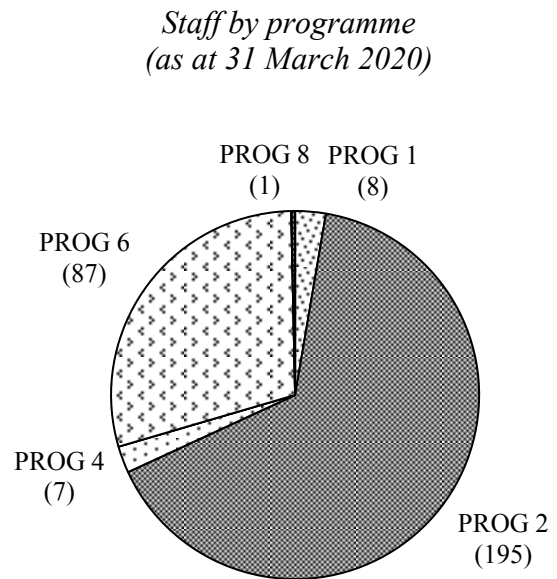
**Programme (9)**

Provision for 2019–20 is \$23.1 million (17.3%) higher than the revised estimate for 2018–19. This is due to the increased provision to support the operations and litigation work of the Competition Commission.

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

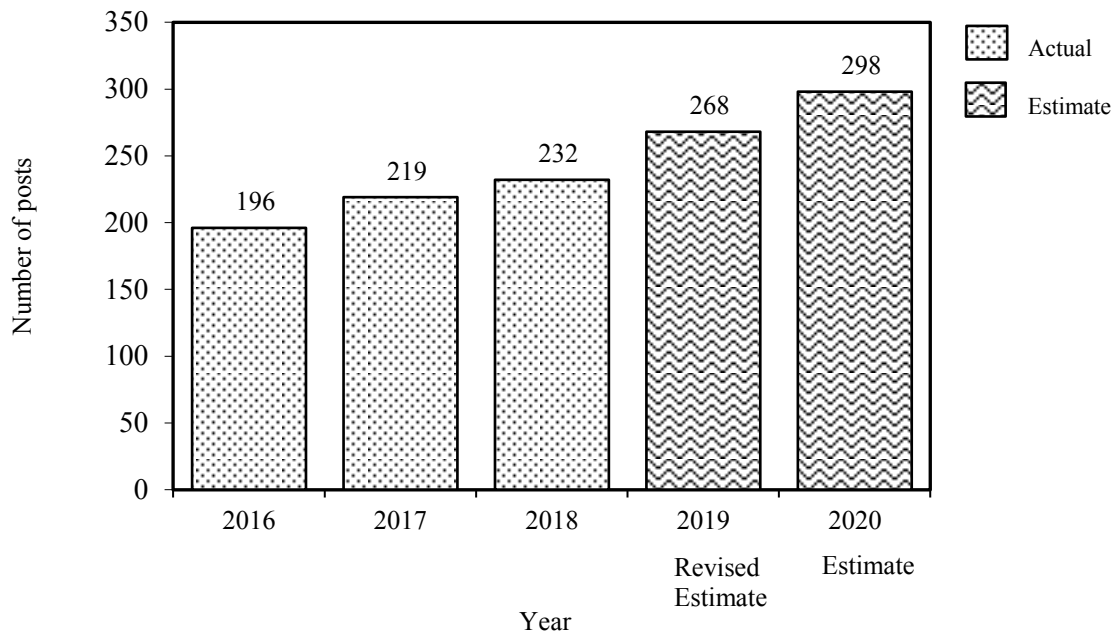


(Provision for PROG 8 represents 0.02 per cent of the overall provision. The percentage is not shown here due to rounding)



(No government staff under PROG 3, 5, 7 & 9)

*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<br>(Code)       | Actual<br>expenditure<br>2017–18           | Approved<br>estimate<br>2018–19 | Revised<br>estimate<br>2018–19 | <b>Estimate<br/>2019–20</b> |                  |
|--------------------------|--|---------------------------------|--------------------------------|-----------------------------|------------------|
|                          | \$'000                                     | \$'000                          | \$'000                         | <b>\$'000</b>               |                  |
| <b>Operating Account</b> |  |                                 |                                |                             |                  |
| Recurrent                |  |                                 |                                |                             |                  |
| 000                      | Operational expenses .....                 | 1,933,956                       | 2,288,716                      | 2,260,768                   | <b>2,498,066</b> |
|                          | Total, Recurrent .....                     | 1,933,956                       | 2,288,716                      | 2,260,768                   | <b>2,498,066</b> |
| Non-Recurrent            |  |                                 |                                |                             |                  |
| 700                      | General non-recurrent .....                | 30,360                          | 331,606                        | 57,607                      | <b>651,593</b>   |
|                          | Total, Non-Recurrent .....                 | 30,360                          | 331,606                        | 57,607                      | <b>651,593</b>   |
|                          | Total, Operating Account .....             | 1,964,316                       | 2,620,322                      | 2,318,375                   | <b>3,149,659</b> |
| <b>Capital Account</b>   |  |                                 |                                |                             |                  |
| Subventions              |  |                                 |                                |                             |                  |
| 88F                      | Hong Kong Tourism Board (block vote) ..... | —                               | 9,733                          | 9,733                       | <b>12,178</b>    |
| 970                      | Consumer Council (block vote) .....        | 1,873                           | 3,596                          | 3,596                       | <b>9,490</b>     |
|                          | Total, Subventions .....                   | 1,873                           | 13,329                         | 13,329                      | <b>21,668</b>    |
|                          | Total, Capital Account .....               | 1,873                           | 13,329                         | 13,329                      | <b>21,668</b>    |
|                          | Total Expenditure .....                    | 1,966,189                       | 2,633,651                      | 2,331,704                   | <b>3,171,327</b> |

## 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 2019–20 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$3,171,327,000. This represents an increase of \$839,623,000 over the revised estimate for 2018–19 and \$1,205,138,000 over the actual expenditure in 2017–18.

#### Operating Account

##### Recurrent

**2** Provision of \$2,498,066,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch. The increase of \$237,298,000 (10.5%) over the revised estimates for 2018–19 is mainly due to the increased subvention to the Consumer Council, the increased provision on tourism initiatives and increased provision to support the Belt and Road Office and the Single Window Project Management Office, as well as increased estimate for the subscription to the WTO.

**3** The establishment as at 31 March 2019 will be 268 posts including four supernumerary posts. It is expected that there will be a net increase of 30 posts in 2019–20. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2019–20, but the notional annual mid-point salary value of all such posts must not exceed \$200,033,000.

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

|   | 2017–18<br>(Actual)<br>(\$'000) | 2018–19<br>(Original)<br>(\$'000) | 2018–19<br>(Revised)<br>(\$'000) | 2019–20<br>(Estimate)<br>(\$'000) |
|---|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Personal Emoluments                                     |                                 |                                   |                                  |                                   |
| - Salaries.....   | 184,220                         | 223,383                           | 213,605                          | <b>257,329</b>                    |
| - Allowances.....                                       | 6,720                           | 8,186                             | 7,246                            | <b>7,070</b>                      |
| - Job-related allowances.....                           | 2                               | 4                                 | 4                                | <b>4</b>                          |
| Personnel Related Expenses                              |                                 |                                   |                                  |                                   |
| - Mandatory Provident Fund contribution.....            | 212                             | 169                               | 246                              | <b>205</b>                        |
| - Civil Service Provident Fund contribution.....        | 8,669                           | 12,864                            | 12,864                           | <b>16,026</b>                     |
| - Disturbance allowance.....                            | —                               | 87                                | 87                               | —                                 |
| Departmental Expenses                                   |                                 |                                   |                                  |                                   |
| - General departmental expenses .....                   | 166,471                         | 403,782                           | 372,556                          | <b>435,330</b>                    |
| Other Charges   |                                 |                                   |                                  |                                   |
| - Subscription to the World Trade Organization .....    | 40,174                          | 46,060                            | 43,486                           | <b>47,224</b>                     |
| Subventions   |                                 |                                   |                                  |                                   |
| - Consumer Council .....                                | 106,917                         | 111,984                           | 113,949                          | <b>122,282</b>                    |
| - Hong Kong-Japan Business Co-operation Committee ..... | 3,610                           | 3,610                             | 3,610                            | <b>3,610</b>                      |
| - Hong Kong Tourism Board .....                         | 951,193                         | 941,193                           | 952,933                          | <b>1,057,982</b>                  |
| - Hong Kong Trade Development Council.....              | 385,523                         | 435,523                           | 435,523                          | <b>435,523</b>                    |
| - Competition Commission .....                          | 80,245                          | 101,871                           | 104,659                          | <b>115,481</b>                    |
|   | 1,933,956                       | 2,288,716                         | 2,260,768                        | <b>2,498,066</b>                  |

#### Capital Account

##### Subventions

**5** Provision of \$12,178,000 under *Subhead 88F Hong Kong Tourism Board (block vote)* is for the procurement of plant, vehicles and equipment each costing above \$200,000 but not exceeding \$10 million. The increase of \$2,445,000 (25.1%) over the revised estimate for 2018–19 is mainly due to the increased cash flow requirement for the implementation of information technology projects for the Hong Kong Tourism Board.

**6** Provision of \$9,490,000 under *Subhead 970 Consumer Council (block vote)* is for the procurement of plant, vehicles and equipment each costing above \$200,000 but not exceeding \$10 million. The increase of \$5,894,000 (163.9%) over the revised estimate for 2018–19 is mainly due to the increased cash flow requirement for the implementation of information technology projects for the Consumer Council.

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

**Commitments**

| Sub-head<br>(Code)              | Item<br>(Code)   | Ambit | Approved<br>commitment<br>\$'000 | Accumulated<br>expenditure<br>to 31.3.2018<br>\$'000 | Revised<br>estimated<br>expenditure<br>for 2018–19<br>\$'000 | Balance<br>\$'000  |
|---------------------------------|--|-------|----------------------------------|--|--|--------------------|
| <b><i>Operating Account</i></b> |  |       |                                  |  |  |                    |
| 700                             | <i>General non-recurrent</i>   |       |                                  |  |  |                    |
| 801                             | Professional Services Advancement Support Scheme .....                         |       | 200,000                          | 5,081  | 17,500   | 177,419            |
| 804                             | Funding for Competition Commission's litigation work.....                      |       | 238,346                          | —  | 28,710   | 209,636            |
| 805                             | Establishment of the Travel Industry Authority§ .....                          |       | 350,000§                         | —  | —  | 350,000            |
| 818                             | Measures for Manpower Development of Retail Industry .....                     |       | 130,000                          | 37,482   | 1,385  | 91,133             |
| 833                             | SME Financing Guarantee Scheme – Special Concessionary Measures.....           |       | 100,000,000                      | 434,000  | —  | 99,566,000         |
| 835                             | Consultancy on the Phase 2 development of the Hong Kong Disneyland Resort..... |       | 27,300                           | 3,322  | 12   | 23,966             |
|                                 | Total .....  |       | <u>100,945,646</u>               | <u>479,885</u>                                       | <u>47,607</u>  | <u>100,418,154</u> |

§ This is a new item, funding for which is sought in the context of the Appropriation Bill 2019.