

Head 96 — GOVERNMENT SECRETARIAT: OVERSEAS ECONOMIC AND TRADE OFFICES

Controlling officer: the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) will account for expenditure under this Head.

Estimate 2020–21 **\$653.8m**

Establishment ceiling 2020–21 (notional annual mid-point salary value) representing an estimated 204 non-directorate posts as at 31 March 2020 rising by one post to 205 posts as at 31 March 2021 **\$129.8m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2020 and as at 31 March 2021.

Controlling Officer's Report

Programmes

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

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

Detail

Programme (1): Commercial Relations

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	165.5	251.6	212.2 (–15.7%)	306.9 (+44.6%)
				(or +22.0% on 2019–20 Original)

Aim

2 The aim is to represent and promote Hong Kong's trading and commercial interests outside Hong Kong.

Brief Description

3 The overseas Economic and Trade Offices (ETOs) in Bangkok, Berlin, Brussels, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. identify, develop and cultivate contacts with host governments, represent Hong Kong at international trade organisations, and maintain liaison with other governments and organisations in order to further Hong Kong's trade and economic interests. They monitor and report on developments which are likely to affect such interests, discuss with their host and other governments specific trade and economic issues, assist officers from Hong Kong in negotiating trade agreements, and promote the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement, Hong Kong's participation in the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

4 The key performance measures in respect of commercial relations are:

Indicators

	2018 (Actual)	2019 (Actual)	2020 (Estimate)
meetings on trade-related matters attended.....	3 222	3 618	3 650
visits to host governments and trade organisations.....	1 474	1 549	1 570
seminars, exhibitions and workshops			
organised	326	334	340
participated.....	922	924	960
public speeches given.....	502	531	540
media interviews/briefings given	719	666	700
circulars/newsletters/press releases issued.....	1 435	1 702	1 720

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Matters Requiring Special Attention in 2020–21

5 During 2020–21, the overseas ETOs will continue to promote Hong Kong's trade and commercial interests, including countering protectionism in Hong Kong's major markets, as well as representing Hong Kong and providing support to the Commerce and Economic Development Bureau and, as appropriate, other bureaux and departments on issues of special interests on the bilateral, plurilateral and multilateral fronts. Among the new ETOs under planning, we target to set up the Dubai ETO in the United Arab Emirates in 2020.

Programme (2): Public Relations

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	125.7	191.4	159.7 (–16.6%)	238.0 (+49.0%)
				(or +24.3% on 2019–20 Original)

Aim

6 The aim is to promote Hong Kong as a reliable trading partner and a premier location for doing business.

Brief Description

7 The overseas ETOs monitor and report on reactions to events in Hong Kong. They organise publicity and public relations activities for Hong Kong in the host countries or regions under their purview, liaise with Hong Kong enterprises and people, and provide a comprehensive information and enquiry service about Hong Kong.

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

Indicators

	2018 (Actual)	2019 (Actual)	2020 (Estimate)
call on senior government officials/organisations.....	1 687	1 753	1 780
public relations functions/events			
organised	788	772	790
participated.....	1 481	1 528	1 570
newsletters, pamphlets, press releases issued	1 585	1 890	1 900
no. of visitors assisted	2 199	2 177	2 190
public speeches given.....	576	582	610
media interviews/briefings given	799	732	780
enquiries handled	19 515	18 401	17 550

Matters Requiring Special Attention in 2020–21

9 During 2020–21, the overseas ETOs will continue to step up publicity and public relations efforts and launch promotional campaigns to enhance Hong Kong's international image in the member states of the Association of Southeast Asian Nations, Australia, Europe, Japan, Korea, New Zealand, North America, the Middle East (when the Dubai ETO is set up), etc., to strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity.

Programme (3): Investment Promotion

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	57.9	88.5	77.0 (–13.0%)	108.9 (+41.4%)
				(or +23.1% on 2019–20 Original)

Aim

10 The aim is to attract foreign direct investment to Hong Kong and to promote Hong Kong's many advantages as a regional hub and the preferred business location in Asia.

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Brief Description

11 In close collaboration with Invest Hong Kong, the overseas ETOs promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance and support to overseas companies to establish or expand operations in Hong Kong.

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

Indicators

	2018 (Actual)	2019 (Actual)	2020 (Estimate)
new projects generated#	378	424	496
projects completed^	195	198	248

New projects with the potential of becoming completed projects in the coming 18 months. The figure reflects the investment promotion efforts in a particular year, discounting projects carried forward from previous years.

^ Investment projects each resulting in an overseas company setting up or undergoing a significant expansion in Hong Kong with the assistance of Invest Hong Kong.

Matters Requiring Special Attention in 2020–21

13 During 2020–21, the overseas ETOs (except the Geneva and Washington ETOs) will continue to work closely with Invest Hong Kong to step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities in the Mainland and elsewhere in Asia.

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ANALYSIS OF FINANCIAL PROVISION

	2018–19 (Actual) (\$m)	2019–20 (Original) (\$m)	2019–20 (Revised) (\$m)	2020–21 (Estimate) (\$m)
Programme				
(1) Commercial Relations	165.5	251.6	212.2	306.9
(2) Public Relations	125.7	191.4	159.7	238.0
(3) Investment Promotion	57.9	88.5	77.0	108.9
	349.1	531.5	448.9 (–15.5%)	653.8 (+45.6%)
				(or +23.0% on 2019–20 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2020–21 is \$94.7 million (44.6%) higher than the revised estimate for 2019–20. This is mainly due to the increased provision for the new ETOs planned to be set up, increased salary provision for filling vacancies and staff changes, and increased operating expenses.

Programme (2)

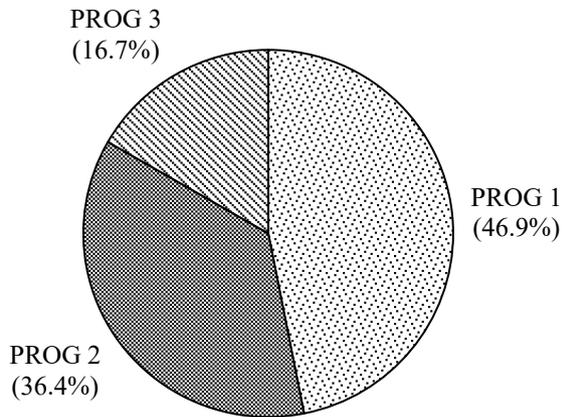
Provision for 2020–21 is \$78.3 million (49.0%) higher than the revised estimate for 2019–20. This is mainly due to the increased provision for the new ETOs planned to be set up, increased salary provision for filling vacancies and staff changes and also the increased operating expenses for promotional campaigns to be launched overseas.

Programme (3)

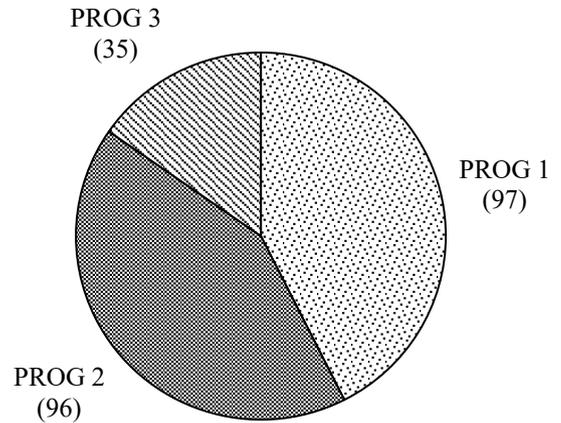
Provision for 2020–21 is \$31.9 million (41.4%) higher than the revised estimate for 2019–20. The reasons that account for the increase under Programme (1) above also apply here.

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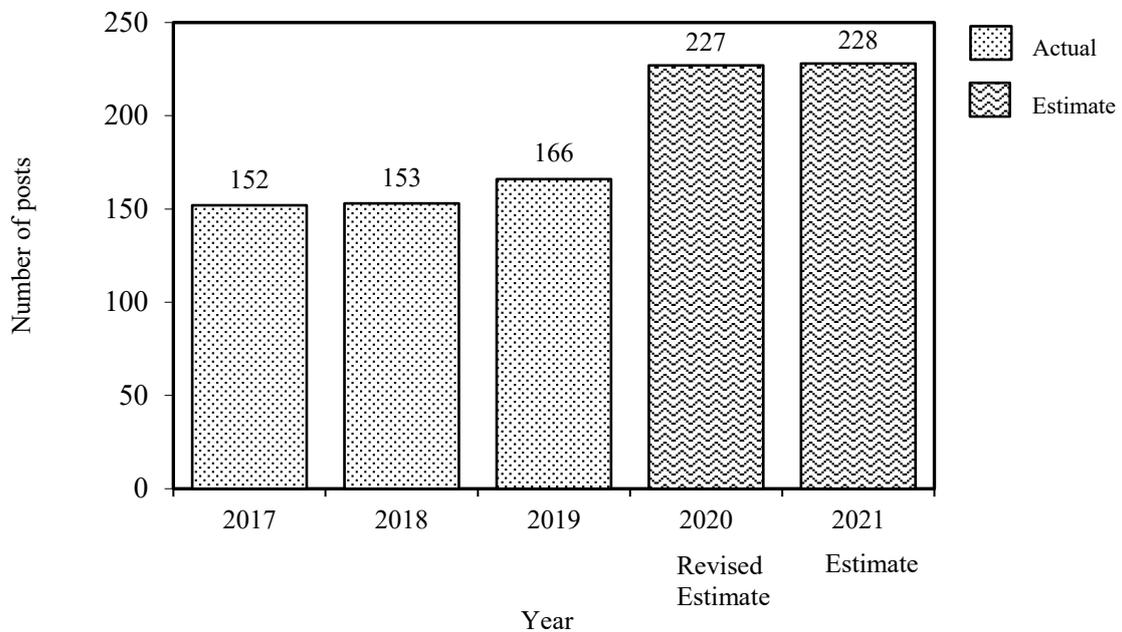
*Allocation of provision
to programmes
(2020-21)*



*Staff by programme
(as at 31 March 2021)*



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



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Sub-head (Code)	Actual expenditure 2018–19	Approved estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	348,267	530,975	448,402	653,302
	Total, Recurrent.....	348,267	530,975	448,402	653,302
Non-Recurrent					
	General non-recurrent	835	—	—	—
	Total, Non-Recurrent.....	835	—	—	—
	Total, Operating Account	349,102	530,975	448,402	653,302
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	—	520	474	520
	Total, Plant, Equipment and Works.....	—	520	474	520
	Total, Capital Account.....	—	520	474	520
	Total Expenditure	349,102	531,495	448,876	653,822

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Details of Expenditure by Subhead

The estimate of the amount required in 2020–21 for the salaries and expenses of the overseas Economic and Trade Offices (ETOs) is \$653,822,000. This represents an increase of \$204,946,000 over the revised estimate for 2019–20 and \$304,720,000 over the actual expenditure in 2018–19.

Operating Account

Recurrent

2 It is operationally necessary for the overseas ETOs to make certain payments in the currencies of their host economies. Expenditure in the following currencies will be charged to the appropriate subheads at the exchange rates set out below —

Australian Dollar	1=HK\$5.55810
Canadian Dollar	1=HK\$6.00692
Euro	1=HK\$8.73178
Japanese Yen	1=HK\$0.071923
Pound Sterling	1=HK\$10.23500
Singapore Dollar	1=HK\$5.77583
Swiss Franc	1=HK\$8.03483

Expenditure incurred in the US Dollar will be charged to the appropriate subheads at a fixed exchange rate of US\$1=HK\$7.8.

3 Provision of \$653,302,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the overseas ETOs. The increase of \$204,900,000 (45.7%) over the revised estimate for 2019–20 is mainly due to the increased provision for setting up new ETOs, the increased salary provision arising from pay rise and staff changes, as well as increased operating expenses for organising promotional activities overseas.

4 The establishment as at 31 March 2020 will be 227 posts. Of these posts, 152 are filled by staff engaged locally by the overseas ETOs. It is expected that there will be an increase of one post starting from 2020–21 onwards. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2020–21, but the notional annual mid-point salary value of all such posts must not exceed \$129,782,000.

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

	2018–19 (Actual) (\$'000)	2019–20 (Original) (\$'000)	2019–20 (Revised) (\$'000)	2020–21 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	132,522	193,727	157,160	220,484
- Allowances.....	32,127	44,476	35,017	50,249
Personnel Related Expenses				
- Civil Service Provident Fund contribution.....	5,865	10,236	6,545	11,372
- Disturbance allowance.....	3,751	6,602	4,217	6,519
Departmental Expenses				
- General departmental expenses	120,417	182,066	180,073	202,593
Other Charges				
- Publicity	53,585	93,868	65,390	162,085
	348,267	530,975	448,402	653,302

Capital Account

Plant, Equipment and Works

6 Provision of \$520,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* is for purchase of office car for Singapore ETO in 2020–21.