

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 2022–23 **\$585.2m**

Establishment ceiling 2022–23 (notional annual mid-point salary value) representing an estimated 205 non-directorate posts as at 31 March 2022 and as at 31 March 2023..... **\$134.8m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2022 and as at 31 March 2023.

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

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	155.8	280.0	179.1 (–36.0%)	275.9 (+54.0%)
				(or –1.5% on 2021–22 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, Dubai, 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

	2020 (Actual)#	2021 (Actual)#	2022 (Estimate)#
meetings on trade-related matters attended.....	2 299	2 584	2 810
visits to host governments and trade organisations.....	666	780	930
seminars, exhibitions and workshops			
organised	207	209	280
participated.....	927	888@	1 080
public speeches given.....	261	263	350
media interviews/briefings given.....	374	278@	400
circulars/newsletters/press releases issued.....	1 852	2 290	2 430

Figures also cover events in virtual form.

@ The 2021 figures dropped due to reduced levels of activities amidst the pandemic.

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Matters Requiring Special Attention in 2022–23

5 During 2022–23, 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.

Programme (2): Public Relations

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	115.9	216.2	137.5 (–36.4%)	212.8 (+54.8%)
				(or –1.6% on 2021–22 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 update overseas interlocutors on developments in Hong Kong, 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

	2020 (Actual)#	2021 (Actual)#	2022 (Estimate)#
call on senior government officials/organisations.....	860	916	1 010
public relations functions/events (including cultural functions/events)Ψ			
organised	445	512	630
participated.....	1 018	1 074	1 230
newsletters, pamphlets, press releases issued	1 803	2 384	2 520
no. of visitors assisted	1 192	1 095@	1 500
public speeches given.....	307	309	410
media interviews/briefings given	375	293^	410
enquiries handled	12 829	13 676	14 100

Figures also cover events in virtual form.

Ψ Revised description of the previous indicator “public relations functions/events” as from 2022.

@ Number of visitors assisted decreased due to travel restrictions imposed by respective countries amidst the pandemic.

^ Number of media interviews/briefings given decreased due to reduced level of activities amidst the pandemic.

Matters Requiring Special Attention in 2022–23

9 During 2022–23, the overseas ETOs will continue to step up publicity and public relations efforts and launch promotional campaigns to enhance Hong Kong’s international image, and to celebrate the 25th Anniversary of the Establishment of the HKSAR in 2022 in the member states of the Association of Southeast Asian Nations, Australia, Europe, Japan, Korea, New Zealand, North America, the Middle East, etc., as well as strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity.

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Programme (3): Investment Promotion

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	55.2	98.3	62.0 (–36.9%)	96.5 (+55.6%)
				(or –1.8% on 2021–22 Original)

Aim

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

Brief Description

11 In close collaboration with Invest Hong Kong, the overseas ETOs promote the 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

	2020 (Actual)	2021 (Actual)	2022 (Estimate)
new projects generated ^λ	238	267	388
projects completed [¶]	135	131 [‡]	194

^λ 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.

[‡] Owing to the pandemic and the related travel restrictions, many foreign companies have put on hold their international expansion plans, hence the drop in the number of completed projects.

Matters Requiring Special Attention in 2022–23

13 During 2022–23, 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

	2020–21 (Actual) (\$m)	2021–22 (Original) (\$m)	2021–22 (Revised) (\$m)	2022–23 (Estimate) (\$m)
Programme				
(1) Commercial Relations	155.8	280.0	179.1	275.9
(2) Public Relations	115.9	216.2	137.5	212.8
(3) Investment Promotion.....	55.2	98.3	62.0	96.5
	326.9	594.5	378.6 (–36.3%)	585.2 (+54.6%)
				(or –1.6% on 2021–22 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2022–23 is \$96.8 million (54.0%) higher than the revised estimate for 2021–22. 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)

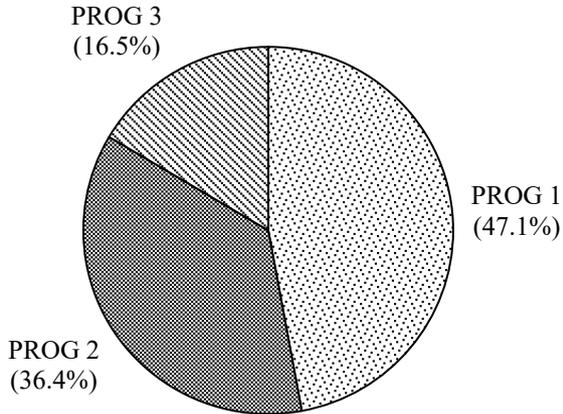
Provision for 2022–23 is \$75.3 million (54.8%) higher than the revised estimate for 2021–22. The reasons for the increase under Programme (1) above also apply here.

Programme (3)

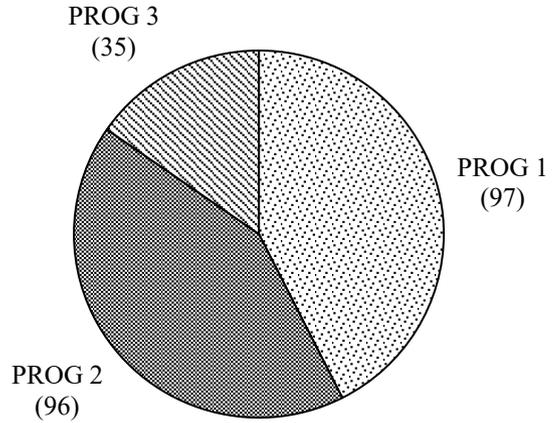
Provision for 2022–23 is \$34.5 million (55.6%) higher than the revised estimate for 2021–22. The reasons for the increase under Programme (1) above also apply here.

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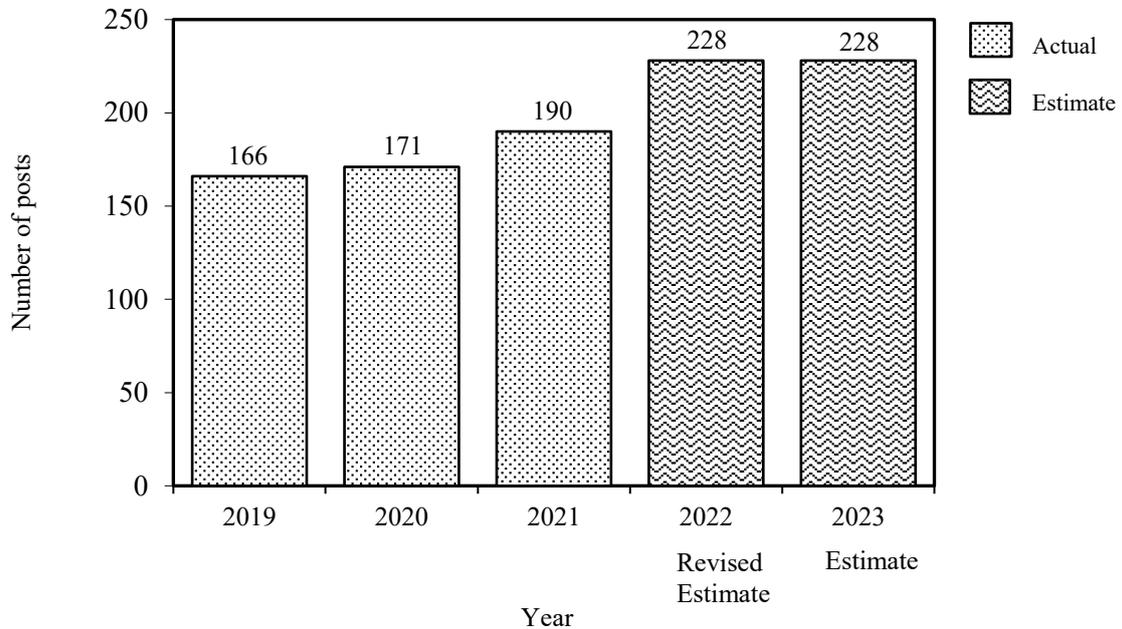
*Allocation of provision
to programmes
(2022-23)*



*Staff by programme
(as at 31 March 2023)*



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



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Sub-head (Code)	Actual expenditure 2020–21	Approved estimate 2021–22	Revised estimate 2021–22	Estimate 2022–23	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	326,417	594,468	378,572	585,170
	Total, Recurrent.....	326,417	594,468	378,572	585,170
	Total, Operating Account	326,417	594,468	378,572	585,170
Capital Account					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	433	—	—	—
	Total, Plant, Equipment and Works.....	433	—	—	—
	Total, Capital Account.....	433	—	—	—
	Total Expenditure	326,850	594,468	378,572	585,170

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Details of Expenditure by Subhead

The estimate of the amount required in 2022–23 for the salaries and expenses of the overseas Economic and Trade Offices (ETOs) is \$585,170,000. This represents an increase of \$206,598,000 over the revised estimate for 2021–22 and \$258,320,000 over the actual expenditure in 2020–21.

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\$5.59172
Canadian Dollar	1=HK\$6.09108
Euro	1=HK\$8.78653
Japanese Yen	1=HK\$0.068299
Pound Sterling	1=HK\$10.42474
Singapore Dollar	1=HK\$5.76837
Swiss Franc	1=HK\$8.21192

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 \$585,170,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the overseas ETOs. The increase of \$206,598,000 (54.6%) over the revised estimate for 2021–22 is mainly due to the increased provision for setting up new ETOs, the increased salary provision arising from staff changes and salary increment, as well as increased operating expenses for organising promotional activities overseas.

4 The establishment as at 31 March 2022 will be 228 posts. No change in establishment is expected in 2022–23. Of these posts, 153 are filled by staff engaged locally by the overseas ETOs. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2022–23, but the notional annual mid-point salary value of all such posts must not exceed \$134,817,000.

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

	2020–21 (Actual) (\$'000)	2021–22 (Original) (\$'000)	2021–22 (Revised) (\$'000)	2022–23 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	148,323	218,908	155,064	223,514
- Allowances	35,262	50,676	39,853	50,704
Personnel Related Expenses				
- Civil Service Provident Fund contribution	7,781	12,085	8,914	12,546
- Disturbance allowance.....	2,485	9,349	2,521	5,831
Departmental Expenses				
- General departmental expenses	104,554	167,417	123,540	165,496
Other Charges				
- Publicity.....	28,012	136,033	48,680	127,079
	326,417	594,468	378,572	585,170