

## Index Page

### Replies to initial questions raised by Legislative Council Members in examining the Estimates of Expenditure 2023-24

**Director of Bureau : Secretary for Commerce and Economic Development**

**Session No. : 16**

**Consolidated e-file name : CEDB-2-e1.docx**

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB001</a>	2884	CHAN Chun-ying	152	(2) Commerce and Industry
<a href="#">CEDB002</a>	0481	CHAN Hak-kan	152	(3) Telecommunications
<a href="#">CEDB003</a>	2383	CHAN Man-ki, Maggie	152	(-) -
<a href="#">CEDB004</a>	2384	CHAN Man-ki, Maggie	152	(-) -
<a href="#">CEDB005</a>	1353	CHAN Siu-hung	152	(8) Subvention: Competition Commission
<a href="#">CEDB006</a>	1377	CHAN Siu-hung	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB007</a>	2937	CHAN Wing-kwong	152	(2) Commerce and Industry
<a href="#">CEDB008</a>	2143	CHAN Yuet-ming	152	(3) Telecommunications
<a href="#">CEDB009</a>	0044	CHAN Yung	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB010</a>	0053	CHAN Yung	152	(2) Commerce and Industry
<a href="#">CEDB011</a>	1327	CHAN Yung	152	(2) Commerce and Industry
<a href="#">CEDB012</a>	1328	CHAN Yung	152	(4) Broadcasting
<a href="#">CEDB013</a>	1919	CHEN Chung-nin, Rock	152	(2) Commerce and Industry
<a href="#">CEDB014</a>	0810	CHEUNG Yu-yan, Tommy	152	(2) Commerce and Industry
<a href="#">CEDB015</a>	0812	CHEUNG Yu-yan, Tommy	152	(8) Subvention: Competition Commission
<a href="#">CEDB016</a>	0813	CHEUNG Yu-yan, Tommy	152	(2) Commerce and Industry
<a href="#">CEDB017</a>	0814	CHEUNG Yu-yan, Tommy	152	(2) Commerce and Industry
<a href="#">CEDB018</a>	1118	CHIU Duncan	152	(3) Telecommunications
<a href="#">CEDB019</a>	1137	CHIU Duncan	152	(-) -
<a href="#">CEDB020</a>	1138	CHIU Duncan	152	(2) Commerce and Industry
<a href="#">CEDB021</a>	1139	CHIU Duncan	152	(2) Commerce and Industry
<a href="#">CEDB022</a>	1140	CHIU Duncan	152	(2) Commerce and Industry
<a href="#">CEDB023</a>	1185	CHIU Duncan	152	(2) Commerce and Industry
<a href="#">CEDB024</a>	2014	CHOW Ho-ding, Holden	152	(5) Posts, Competition Policy and Consumer Protection
<a href="#">CEDB025</a>	2017	CHOW Ho-ding, Holden	152	(2) Commerce and Industry
<a href="#">CEDB026</a>	2018	CHOW Ho-ding, Holden	152	(2) Commerce and Industry

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB027</a>	2019	CHOW Ho-ding, Holden	152	(2) Commerce and Industry
<a href="#">CEDB028</a>	2022	CHOW Ho-ding, Holden	152	(2) Commerce and Industry
<a href="#">CEDB029</a>	2032	CHOW Ho-ding, Holden	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB030</a>	2478	CHOW Ho-ding, Holden	152	(2) Commerce and Industry
<a href="#">CEDB031</a>	3064	CHOW Ho-ding, Holden	152	(2) Commerce and Industry
<a href="#">CEDB032</a>	3065	CHOW Ho-ding, Holden	152	(7) Subvention: Consumer Council
<a href="#">CEDB033</a>	3097	CHOW Ho-ding, Holden	152	(2) Commerce and Industry
<a href="#">CEDB034</a>	0710	CHOW Man-kong	152	(2) Commerce and Industry
<a href="#">CEDB035</a>	0711	CHOW Man-kong	152	(2) Commerce and Industry
<a href="#">CEDB036</a>	0712	CHOW Man-kong	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB037</a>	0713	CHOW Man-kong	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB038</a>	2450	FOK Kai-kong, Kenneth	152	(-) -
<a href="#">CEDB039</a>	2461	FOK Kai-kong, Kenneth	152	(2) Commerce and Industry
<a href="#">CEDB040</a>	2462	FOK Kai-kong, Kenneth	152	(2) Commerce and Industry
<a href="#">CEDB041</a>	0845	IP LAU Suk-ye, Regina	152	(3) Telecommunications
<a href="#">CEDB042</a>	0852	IP LAU Suk-ye, Regina	152	(2) Commerce and Industry
<a href="#">CEDB043</a>	1676	KAN Wai-mun, Carmen	152	(3) Telecommunications
<a href="#">CEDB044</a>	1695	KAN Wai-mun, Carmen	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB045</a>	3130	KAN Wai-mun, Carmen	152	(2) Commerce and Industry
<a href="#">CEDB046</a>	2070	KONG Yuk-foon, Doreen	152	(2) Commerce and Industry
<a href="#">CEDB047</a>	2661	KONG Yuk-foon, Doreen	152	(2) Commerce and Industry
<a href="#">CEDB048</a>	1142	LAM Kin-fung, Jeffrey	152	(2) Commerce and Industry
<a href="#">CEDB049</a>	1144	LAM Kin-fung, Jeffrey	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB050</a>	1145	LAM Kin-fung, Jeffrey	152	(4) Broadcasting
<a href="#">CEDB051</a>	1146	LAM Kin-fung, Jeffrey	152	(6) Subvention: Hong Kong Trade Development Council

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB052</a>	1147	LAM Kin-fung, Jeffrey	152	(2) Commerce and Industry
<a href="#">CEDB053</a>	1148	LAM Kin-fung, Jeffrey	152	(2) Commerce and Industry
<a href="#">CEDB054</a>	0289	LAM Lam, Nixie	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB055</a>	2566	LAM So-wai	152	(3) Telecommunications
<a href="#">CEDB056</a>	0601	LAU Ip-keung, Kenneth	152	(-) -
<a href="#">CEDB057</a>	0607	LAU Ip-keung, Kenneth	152	(3) Telecommunications
<a href="#">CEDB058</a>	2623	LAU Kwok-fan	152	(3) Telecommunications
<a href="#">CEDB059</a>	0690	LEE Wai-king, Starry	152	(-) -
<a href="#">CEDB060</a>	0691	LEE Wai-king, Starry	152	(-) -
<a href="#">CEDB061</a>	0694	LEE Wai-king, Starry	152	(-) -
<a href="#">CEDB062</a>	0695	LEE Wai-king, Starry	152	(2) Commerce and Industry
<a href="#">CEDB063</a>	0702	LEE Wai-king, Starry	152	(2) Commerce and Industry
<a href="#">CEDB064</a>	0704	LEE Wai-king, Starry	152	(2) Commerce and Industry
<a href="#">CEDB065</a>	1559	LEE Wai-king, Starry	152	(2) Commerce and Industry
<a href="#">CEDB066</a>	1201	LEUNG Tsz-wing, Dennis	152	(3) Telecommunications
<a href="#">CEDB067</a>	1783	LEUNG Yuk-wai, Kenneth	152	(2) Commerce and Industry
<a href="#">CEDB068</a>	3142	LEUNG Yuk-wai, Kenneth	152	(2) Commerce and Industry
<a href="#">CEDB069</a>	0874	LIAO Cheung-kong, Martin	152	(2) Commerce and Industry
<a href="#">CEDB070</a>	1051	LUK Chung-hung	152	(3) Telecommunications
<a href="#">CEDB071</a>	0060	NG Kit-chong, Johnny	152	(2) Commerce and Industry
<a href="#">CEDB072</a>	0066	NG Kit-chong, Johnny	152	(2) Commerce and Industry
<a href="#">CEDB073</a>	0075	NG Kit-chong, Johnny	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB074</a>	0072	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB075</a>	0074	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB076</a>	0076	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB077</a>	0077	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB078</a>	0078	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB079</a>	0079	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB080</a>	0128	NG Wing-ka, Jimmy	152	(2) Commerce and Industry

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
<a href="#">CEDB081</a>	0133	NG Wing-ka, Jimmy	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB082</a>	0152	NG Wing-ka, Jimmy	152	(2) Commerce and Industry
<a href="#">CEDB083</a>	0650	SHIU Ka-fai	152	(-) -
<a href="#">CEDB084</a>	1592	SO Cheung-wing	152	(2) Commerce and Industry
<a href="#">CEDB085</a>	1593	SO Cheung-wing	152	(2) Commerce and Industry
<a href="#">CEDB086</a>	1594	SO Cheung-wing	152	(2) Commerce and Industry
<a href="#">CEDB087</a>	1595	SO Cheung-wing	152	(2) Commerce and Industry
<a href="#">CEDB088</a>	1869	TAN Sunny	152	(2) Commerce and Industry
<a href="#">CEDB089</a>	1870	TAN Sunny	152	(2) Commerce and Industry
<a href="#">CEDB090</a>	1871	TAN Sunny	152	(2) Commerce and Industry
<a href="#">CEDB091</a>	1872	TAN Sunny	152	(2) Commerce and Industry
<a href="#">CEDB092</a>	1873	TAN Sunny	152	(2) Commerce and Industry
<a href="#">CEDB093</a>	2503	TAN Sunny	152	(4) Broadcasting
<a href="#">CEDB094</a>	2505	TAN Sunny	152	(2) Commerce and Industry
<a href="#">CEDB095</a>	2541	TANG Fei	152	(2) Commerce and Industry
<a href="#">CEDB096</a>	1714	WONG Chun-sek, Edmund	152	(2) Commerce and Industry
<a href="#">CEDB097</a>	1715	WONG Chun-sek, Edmund	152	(2) Commerce and Industry
<a href="#">CEDB098</a>	1716	WONG Chun-sek, Edmund	152	(2) Commerce and Industry
<a href="#">CEDB099</a>	2841	WONG Chun-sek, Edmund	152	(3) Telecommunications
<a href="#">CEDB100</a>	0310	WONG Ying-ho, Kennedy	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB101</a>	0312	WONG Ying-ho, Kennedy	152	(3) Telecommunications
<a href="#">CEDB102</a>	0314	WONG Ying-ho, Kennedy	152	(-) -
<a href="#">CEDB103</a>	0315	WONG Ying-ho, Kennedy	152	(-) -
<a href="#">CEDB104</a>	0316	WONG Ying-ho, Kennedy	152	(5) Posts, Competition Policy and Consumer Protection
<a href="#">CEDB105</a>	0317	WONG Ying-ho, Kennedy	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB106</a>	0318	WONG Ying-ho, Kennedy	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB107</a>	0340	WONG Ying-ho, Kennedy	152	(2) Commerce and Industry
<a href="#">CEDB108</a>	0341	WONG Ying-ho, Kennedy	152	(2) Commerce and Industry
<a href="#">CEDB109</a>	0342	WONG Ying-ho, Kennedy	152	(2) Commerce and Industry
<a href="#">CEDB110</a>	1605	YIM Kong	152	(2) Commerce and Industry
<a href="#">CEDB111</a>	1611	YIM Kong	152	(2) Commerce and Industry
<a href="#">CEDB112</a>	1612	YIM Kong	152	(2) Commerce and Industry
<a href="#">CEDB113</a>	1625	YIM Kong	152	(2) Commerce and Industry
<a href="#">CEDB114</a>	1001	YIU Pak-leung	152	(2) Commerce and Industry

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB115</a>	0417	YUNG Hoi-yan	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB116</a>	0441	YUNG Hoi-yan	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB117</a>	1376	CHAN Siu-hung	96	(-) -
<a href="#">CEDB118</a>	2016	CHOW Ho-ding, Holden	96	(1) Commercial Relations
<a href="#">CEDB119</a>	2021	CHOW Ho-ding, Holden	96	(1) Commercial Relations
<a href="#">CEDB120</a>	2030	CHOW Ho-ding, Holden	96	(1) Commercial Relations
<a href="#">CEDB121</a>	2031	CHOW Ho-ding, Holden	96	(1) Commercial Relations
<a href="#">CEDB122</a>	2039	CHOW Ho-ding, Holden	96	(-) -
<a href="#">CEDB123</a>	2040	CHOW Ho-ding, Holden	96	(-) -
<a href="#">CEDB124</a>	2041	CHOW Ho-ding, Holden	96	(-) -
<a href="#">CEDB125</a>	2475	CHOW Ho-ding, Holden	96	(-) -
<a href="#">CEDB126</a>	2431	FOK Kai-kong, Kenneth	96	(2) Public Relations
<a href="#">CEDB127</a>	2460	FOK Kai-kong, Kenneth	96	(1) Commercial Relations
<a href="#">CEDB128</a>	2487	HONG Wen, Wendy	96	(1) Commercial Relations
<a href="#">CEDB129</a>	2898	LAM San-keung	96	(1) Commercial Relations (2) Public Relations (3) Investment Promotion
<a href="#">CEDB130</a>	0269	LAM Siu-lo, Andrew	96	(3) Investment Promotion
<a href="#">CEDB131</a>	3207	LEUNG Hei, Edward	96	(-) -
<a href="#">CEDB132</a>	0027	LEUNG Mei-fun, Priscilla	96	(1) Commercial Relations (2) Public Relations
<a href="#">CEDB133</a>	0996	LIAO Cheung-kong, Martin	96	(2) Public Relations
<a href="#">CEDB134</a>	0969	MA Fung-kwok	96	(1) Commercial Relations
<a href="#">CEDB135</a>	1277	NG Kit-chong, Johnny	96	(2) Public Relations
<a href="#">CEDB136</a>	1728	WONG Chun-sek, Edmund	96	(1) Commercial Relations (2) Public Relations (3) Investment Promotion
<a href="#">CEDB137</a>	1736	WONG Chun-sek, Edmund	96	(3) Investment Promotion
<a href="#">CEDB138</a>	1150	LAM Kin-fung, Jeffrey	31	(5) Trade Controls
<a href="#">CEDB139</a>	0267	LAM Siu-lo, Andrew	31	(1) Control and Enforcement

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB140</a>	3208	LEUNG Hei, Edward	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB141</a>	2093	SHIU Ka-fai	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB142</a>	1508	TANG Ka-piu	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB143</a>	2445	FOK Kai-kong, Kenneth	78	(2) Protection of Intellectual Property
<a href="#">CEDB144</a>	1704	KAN Wai-mun, Carmen	78	(1) Statutory Functions
<a href="#">CEDB145</a>	2903	LAM San-keung	78	(2) Protection of Intellectual Property
<a href="#">CEDB146</a>	0275	LAM Siu-lo, Andrew	78	(2) Protection of Intellectual Property
<a href="#">CEDB147</a>	0146	NG Wing-ka, Jimmy	78	(2) Protection of Intellectual Property
<a href="#">CEDB148</a>	0151	NG Wing-ka, Jimmy	78	(2) Protection of Intellectual Property
<a href="#">CEDB149</a>	1245	TIEN Puk-sun, Michael	78	(2) Protection of Intellectual Property
<a href="#">CEDB150</a>	0397	CHAN Kin-por	79	(-) Investment Promotion
<a href="#">CEDB151</a>	0405	CHAN Kin-por	79	(-) Investment Promotion
<a href="#">CEDB152</a>	0406	CHAN Kin-por	79	(-) Investment Promotion
<a href="#">CEDB153</a>	1149	LAM Kin-fung, Jeffrey	79	(-) Investment Promotion
<a href="#">CEDB154</a>	1017	LIAO Cheung-kong, Martin	79	(-) Investment Promotion
<a href="#">CEDB155</a>	2504	TAN Sunny	79	(-) Investment Promotion
<a href="#">CEDB156</a>	2386	CHAN Man-ki, Maggie	160	(-) -
<a href="#">CEDB157</a>	0735	CHOW Man-kong	160	(2) Public Affairs and General Television Programme
<a href="#">CEDB158</a>	2111	CHU Kwok-keung	160	(1) Radio
<a href="#">CEDB159</a>	2448	FOK Kai-kong, Kenneth	160	(2) Public Affairs and General Television Programme
<a href="#">CEDB160</a>	2449	FOK Kai-kong, Kenneth	160	(3) New Media
<a href="#">CEDB161</a>	1024	HO Kwan-yiu, Junius	160	(-) -
<a href="#">CEDB162</a>	1029	HO Kwan-yiu, Junius	160	(2) Public Affairs and General Television Programme
<a href="#">CEDB163</a>	2428	LI Sai-wing, Stanley	160	(1) Radio (2) Public Affairs and General Television Programme
<a href="#">CEDB164</a>	1050	LUK Chung-hung	160	(2) Public Affairs and General Television Programme
<a href="#">CEDB165</a>	0719	CHOW Man-kong	181	(3) Support for Small and Medium Enterprises and Industries



<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB166</a>	2088	SHIU Ka-fai	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB167</a>	1735	WONG Chun-sek, Edmund	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB168</a>	2631	WONG Chun-sek, Edmund	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB169</a>	0327	WONG Ying-ho, Kennedy	181	(1) Commercial Relations
<a href="#">CEDB170</a>	3537	KAN Wai-mun, Carmen	152	(3) Telecommunications
<a href="#">CEDB171</a>	3478	LAM Siu-lo, Andrew	152	(6) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB172</a>	3514	LEUNG Hei, Edward	152	(3) Telecommunications
<a href="#">CEDB173</a>	3504	YIM Kong	160	(-) -
<a href="#">CEDB174</a>	3479	LAM Siu-lo, Andrew	181	(3) Support for Small and Medium Enterprises and Industries

**CONTROLLING OFFICER'S REPLY**

**CEDB001**

**(Question Serial No. 2884)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the provision for 2023-24 is \$278 million higher than the revised estimate for 2022-23, representing an increase of over 90%. This is mainly due to the increased cash flow requirement for the Incentive Scheme for Recurrent Exhibitions. Will the Government inform this Committee of the estimated expenditure for the Scheme?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 33)

Reply:

The \$1.4-billion Incentive Scheme for Recurrent Exhibitions will be launched on 1 July 2023 for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. We estimate that the cash flow of the Scheme for 2023-24 is \$204 million.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB002**

**(Question Serial No. 0481)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government commenced the drafting of legislation to regulate person-to-person telemarketing calls in 2019, but no significant progress has been made so far. In this connection, will the Government inform this Committee of the following:

Whether the expenditure on the legislation drafting is included in the 2023-24 Estimates? If yes, what are the amount of expenditure and the future legislative timetable? If not, what are the reasons? Also, in view of the implementation of the Real-name Registration Programme for Subscriber Identification Module (SIM) Cards, will additional resources be deployed to conduct studies and public consultation on further legislation to regulate the relevant acts?

Asked by: Hon CHAN Hak-kan (LegCo internal reference no.: 22)

Reply:

As the Hong Kong society gradually resumes to normalcy after the COVID-19 epidemic for 3 years, the Government needs to consider the latest situation, especially the challenges faced by Hong Kong's economy, and review whether the regulation of person-to-person (P2P) telemarketing calls (P2P calls) would affect normal business activities. We understand that quite a number of the small and medium enterprises as well as the business sector have practical needs to resort to different remote means, including P2P calls, to maintain their business operations. Moreover, overseas experience in regulation of such calls has revealed considerable difficulties in the actual operation and enforcement by the relevant regulatory regimes, in areas such as challenges in collection of evidence, seeking assistance from foreign law enforcement agencies, prosecution, differentiating normal business activities from P2P calls, how to effectively block nuisance calls, etc. We need to balance a variety of factors before deciding whether and how to follow up on the matter. Currently, we do not have a concrete action timetable.

Meanwhile, relevant government departments will continue to carry out publicity and public education in order to mitigate the nuisance caused by P2P calls to the general public. For instance, Office of the Communications Authority (OFCA) has uploaded onto its website information on smart use of call-filtering applications in smartphones. OFCA in the past also organised related seminars and exhibitions for public. Besides, the Office of the Government Chief Information Officer has launched the Enriched ICT Training Programme for the Elderly with modules in relevant courses provided by the participating Elder Academies to introduce to the elderly information on rejecting or filtering phone calls.

In addition, from August 2015 onwards, OFCA has required each telecommunications operator to insert a “+” sign in the calling number display of the mobile phones (such as “+852”) for all incoming calls originating from outside Hong Kong. This enables the public to identify suspicious calls (including P2P calls) originating from outside Hong Kong but masqueraded as local Hong Kong numbers, and stay vigilant in answering them.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB003**

**(Question Serial No. 2383)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 71 of the Budget Speech that the HKSAR Government will join hands with our Guangdong-Hong Kong-Macao Greater Bay Area (GBA) sister cities to achieve synergy in the development of a number of major industries and spearhead high quality development of the entire GBA. In this regard, please advise this Committee on the following:

1. the estimated expenditure and manpower resources involved in the matters mentioned above; and
2. whether the Government has a plan to further attract major industries from the GBA to Hong Kong for development; if yes, the details; if no, the reasons.

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 24)

Reply:

The HKSAR Government will join hands with our Guangdong-Hong Kong-Macao Greater Bay Area (GBA) sister cities to achieve synergy in the development of strategic industries. This is a major policy jointly taken forward by a number of bureaux/departments. In consultation with the relevant bureaux, the estimated expenditure and manpower resources involved in their work are tabulated below:

Item	Estimated expenditure and manpower resources
<p data-bbox="164 212 861 286"><u>Commerce and Economic Development Bureau (CEDB)</u></p> <p data-bbox="164 331 536 362">International Trade Centre</p> <ul data-bbox="164 407 861 1400" style="list-style-type: none"> <li data-bbox="164 407 861 526">• Planning a business mission to the GBA for Belt and Road related enterprises based in Hong Kong.</li> <li data-bbox="164 645 861 840">• The Hong Kong Trade and Development Council (HKTDC) implements the Support Scheme for Pursuing Development in the Mainland to support Hong Kong enterprises in developing the Mainland market.</li> <li data-bbox="164 922 861 1400">• The HKTDC will continue to assist Hong Kong enterprises in developing the GBA market through the “GoGBA one-stop platform” and “GoGBA Business Support Centres”, and plan to set up additional “GoGBA Business Support Centres” in Huizhou, Jiangmen and Zhaoqing. The HKTDC will also hold business networking activities in different cities in the GBA and step up publicity efforts to increase Hong Kong enterprises’ understanding of the GBA development and market.</li> </ul> <p data-bbox="164 1444 861 1476">Regional Intellectual Property (IP) Trading Centre</p> <ul data-bbox="164 1520 861 1675" style="list-style-type: none"> <li data-bbox="164 1520 861 1675">• Continue to develop Hong Kong into a regional IP trading centre through a multi-pronged approach, and promote IP trading and economic development in the GBA.</li> </ul>	<ul data-bbox="887 407 1453 2072" style="list-style-type: none"> <li data-bbox="887 407 1453 604">• The relevant work has been included in the overall estimated expenditure and manpower resources of CEDB, and cannot be quantified separately.</li> <li data-bbox="887 645 1453 884">• An additional funding of \$45 million per annum is provided to the HKTDC from 2022-23 to 2024-25. There is no breakdown of the relevant funding for the work relevant to the GBA.</li> <li data-bbox="887 922 1453 1120">• The relevant work has been included in the overall estimated expenditure and manpower resources of the HKTDC, and cannot be quantified separately.</li> <li data-bbox="887 1520 1453 1758">• Developing Hong Kong into a regional IP trading centre is part of the regular work of CEDB and Intellectual Property Department (IPD), and the revisions involved cannot be quantified separately.</li> <li data-bbox="887 1798 1453 2072">• An additional funding totalling about \$10 million will be allocated to IPD in 2 years, i.e. 2023-24 and 2024-25, for employing and nurturing more patent examiners to further develop the original grant patent system.</li> </ul>

Item	Estimated expenditure and manpower resources
<p><u>Culture, Sports and Tourism Bureau (CSTB)</u></p> <p>East-meets-West Centre for International Cultural Exchange</p> <ul style="list-style-type: none"> <li>Support performing arts groups and artists in Hong Kong in taking part in performances and productions in the GBA, and host the GBA Culture and Arts Festival in 2024.</li> <li>The Government, mainly through the Film Development Fund and the CreateSmart Initiative, supports projects that are conducive to the development of creative industries in Hong Kong, including activities held in the GBA, to promote collaboration and exchanges among creative industries of Hong Kong and other regions.</li> </ul>	<ul style="list-style-type: none"> <li>A total of \$135 million has been allocated over 5 years from 2023-24 to 2027-28 to support performing arts groups and artists in Hong Kong in taking part in performances and productions in the GBA.</li> <li>\$20 million has been allocated in 2023-24 for hosting the GBA Culture and Arts Festival in 2024.</li> <li>The two items are taken forward by existing manpower in CSTB and its departments responsible for cultural exchange in the GBA, and the resources involved cannot be quantified separately.</li> <li>Expenditure will depend on the content and proposal of individual funded projects.</li> <li>The related work is part of the regular duties of Create Hong Kong and the manpower has been included in the overall establishment of CSTB.</li> </ul>
<p><u>Department of Justice (DoJ)</u></p> <p>Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region</p> <ul style="list-style-type: none"> <li>The DoJ established in October 2022 the Legal Enhancement and Development Office (LEAD Office) under the Secretary for Justice (SJ)'s Office to render high-level strategic support to the SJ and Deputy SJ, and assist in the formulation, co-ordination and implementation of the department's policy initiatives, including promoting Hong Kong as a leading centre for international legal and</li> </ul>	<ul style="list-style-type: none"> <li>The DoJ has reserved around \$100 million for the promotion and development of Hong Kong's legal and dispute resolution services, which includes funding for Hong Kong's sustained development as a leading centre for international legal and dispute resolution services in the Asia-Pacific region.</li> </ul>

Item	Estimated expenditure and manpower resources
<p>dispute resolution services, and capacity building, in the region and beyond. Other units of the DoJ will also deploy resources to provide assistance as and when required.</p>	<ul style="list-style-type: none"> <li>The establishment of the LEAD Office for 2023-24 includes 2 Principal Government Counsel, 1 Deputy Principal Government Counsel (DPGC), 1 Assistant Principal Government Counsel (APGC), 3 Senior Government Counsel (SGC), 3 Government Counsel (GC), 1 Law Clerk and 2 Personal Secretaries I. The estimated annual expenditure on emoluments for 2023-24 (notional annual mid-point salary value) is \$19,120,200.</li> </ul> <p>Note: Among these posts, 1 DPGC, 1 APGC, 1 SGC and 2 GC are time-limited. As the work is undertaken by the above officers among their other duties, the manpower / expenditure actually involved in the relevant work cannot be separately quantified.</p>
<p><u>Environment and Ecology Bureau (Food Branch)</u></p> <p>Development of the Agriculture and Fisheries Industries</p> <ul style="list-style-type: none"> <li>Through the Sustainable Fisheries Development Fund and the Sustainable Agricultural Development Fund, to promote the modernisation and sustainable development of the agriculture and fisheries industries, and support them in terms of application of advanced technology and intensification of production, as well as helping them seize the opportunities arising from the GBA development.</li> </ul>	<ul style="list-style-type: none"> <li>The Agriculture, Fisheries and Conservation Department will take forward the relevant work by existing manpower, and the resources involved cannot be quantified separately.</li> </ul>
<p><u>Financial Services and the Treasury Bureau (Financial Services Branch)</u></p> <p>International Financial Centre</p> <p>We attach great importance to the enormous opportunities brought by the GBA development to Hong Kong's financial and professional services sectors. We and the financial regulators are</p>	<ul style="list-style-type: none"> <li>The Financial Services and the Treasury Bureau (Financial Services Branch) will take forward the relevant work by existing</li> </ul>

Item	Estimated expenditure and manpower resources
<p>committed to enhancing Hong Kong's competitiveness in financial services and strengthening mutual capital market access between the Mainland and Hong Kong, with a view to contributing to the high-quality development of the GBA, deepening the reform of the country's financial markets, as well as opening up a broader market for the financial sector. Key work progress includes the following:</p> <ul style="list-style-type: none"> <li>• Deepening mutual financial market access in the GBA: Cross-boundary Wealth Management Connect (WMC) was formally launched in September 2021, opening up a new market with business opportunities for the financial industry in Hong Kong. We and relevant financial regulators have been closely monitoring the operation of the WMC. Taking into account actual operational experience and market feedback, and following the principle of "incremental approach with proper risk controls", we will continue the close liaison with the Mainland authorities and stakeholders to explore enhancement measures, including expanding the scope of participating institutions and eligible products. To enhance mutual access of insurance markets in the GBA, we are striving for the establishment of insurance after-sales service centres by the Hong Kong insurance industry in places such as Nansha and Qianhai, with a view to providing GBA residents who are holders of Hong Kong policies with support such as enquiries, claims and renewal of policies. Besides, we will implement the "unilateral recognition" policy for cross-boundary motor insurance to tie in with the Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge, so that owners of relevant Hong Kong private vehicles can arrange more conveniently the necessary insurance coverage for driving in the Mainland.</li> </ul>	<p>manpower and resources in co-ordination with its departments and relevant regulators. There is no itemised breakdown of expenditure.</p>



Item	Estimated expenditure and manpower resources
<ul style="list-style-type: none"> <li>Facilitating movement of factors of production: On cross-boundary capital flow, the Shenzhen Qianhai Authority and the HKSAR Government jointly promulgated the 18 Measures for Supporting the Linked Development of Shenzhen and Hong Kong Venture Capital Investments in Qianhai in September 2022 with a view to providing facilitation and preferential policies for Hong Kong's private equity industry. Going forward, we will explore with Qianhai more opportunities for financial development, such that the 2 cities can serve as dual engines in the GBA. On talent movement, the Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Agreement on Trade in Services (Amendment Agreement) came into operation on 1 June 2020. The Amendment Agreement has removed the requirement that the right of control over partnership accounting firms should be held by Mainland residents. Accordingly, the requirements for Hong Kong certified public accountants (CPA) with Chinese CPA qualification to become partners of partnership accounting firms in the Mainland (including the 9 cities in the GBA) have been granted national treatment.</li> <li>Cross-boundary Fintech Innovation Platform: The Hong Kong Monetary Authority and the People's Bank of China have signed the "Memorandum of Understanding on Fintech Innovation Supervisory Cooperation in the GBA". It allows eligible financial institutions and technology firms to conduct pilot trials of cross-boundary Fintech initiatives concurrently in Hong Kong and GBA cities through a "one-stop platform", expediting the launch of Fintech products and reducing development costs. Two banks have already completed their pilot trials under the one-stop platform and are preparing to launch their cross-boundary services.</li> </ul>	

Item	Estimated expenditure and manpower resources
<p><u>Innovation, Technology and Industry Bureau (ITIB)</u></p> <p>International Innovation and Technology Centre</p> <ul style="list-style-type: none"> <li>• The Hong Kong Innovation and Technology Development Blueprint promulgated in December 2022 outlines the macro innovation and technology (I&amp;T) development targets of Hong Kong for the next 5 to 10 years. One of the major strategies is to deepen I&amp;T co-operation with the Mainland for better integration into the overall national development.</li> <li>• The HKSAR Government will continue to enhance the I&amp;T ecosystem of Hong Kong. In addition to consolidating our strengths in upstream basic research, we will also strive to build a global collaborative innovation platform for industries, academia and research, accelerate the transformation and realisation of midstream research and development outcomes, support the development of downstream industries, attract Mainland and overseas technology enterprises with an edge to set up operations in Hong Kong, and facilitate the co-ordinated development of the industry, academic and research sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• ITIB is taking forward the work in collaboration with the departments under its purview using existing manpower and resources. There is no itemised breakdown of expenditure.</li> </ul>
<p><u>Transport and Logistics Bureau (TLB)</u></p> <p>International Aviation Hub</p> <ul style="list-style-type: none"> <li>• To enhance Hong Kong's status as an international aviation hub through airport development, maintenance of high quality civil aviation management and expansion of the aviation network.</li> </ul>	<ul style="list-style-type: none"> <li>• The relevant work has been included in the overall estimated expenditure and manpower resources of TLB, and cannot be quantified separately.</li> </ul>

Item	Estimated expenditure and manpower resources
<p>International Maritime Centre</p> <ul style="list-style-type: none"> <li>To foster the development of Hong Kong's high value-added maritime services and port business, with a view to reinforcing Hong Kong's status as an international maritime centre.</li> </ul>	<ul style="list-style-type: none"> <li>The relevant work has been included in the overall estimated expenditure and manpower resources of TLB, and cannot be quantified separately.</li> </ul>

On the Government's plan to further attract major industries from the GBA for development in Hong Kong, respective bureaux/offices/departments have provided the following information:

#### Constitutional and Mainland Affairs Bureau

To further enhance publicity and promotion in the Mainland cities of the GBA as well as the support for Hong Kong people and enterprises there, the Hong Kong Economic and Trade Office (ETO) in Guangdong of the HKSAR Government will set up the Guangdong-Hong Kong-Macao Greater Bay Area Development Promotion Centre (the Promotion Centre). Through strengthening strategic co-operation with HKTDC, Invest Hong Kong (InvestHK) and relevant organisations and institutions in the Mainland or from overseas, the Promotion Centre will promote opportunities brought about by the GBA development and provide appropriate support and assistance when needed to Hong Kong people and enterprises in the Mainland cities of the GBA, by means of providing information on the GBA and enquiry services as well as organising seminars and study missions, etc.

#### ITIB

In his 2022 Policy Address announced in October last year, the Chief Executive set the objective of promoting technology industry development through attracting enterprises and talents to Hong Kong, primarily focusing on technology industries in which we enjoy clear advantages and with strategic significance such as life and health technology, artificial intelligence and data science, advanced manufacturing and new energy technology, etc. The goal is to attract not less than 100 high potential or representative I&T enterprises to set up or expand their businesses in Hong Kong in the coming 5 years, including at least 20 top notch I&T enterprises.

#### Office for Attracting Strategic Enterprises (OASES)

The Government's newly established OASES has commenced full operation since end of 2022. OASES is tasked to attract representative and high-potential strategic enterprises from industries of strategic importance, covering life and health technology, artificial intelligence and data science, financial technology, and advanced manufacturing and new energy technology. OASES would proactively reach out to strategic enterprises around the globe. To attract enterprises from the GBA, OASES would work closely with the Dedicated Team on Attracting Businesses and Talents under the ETO in Guangdong to enhance

promotion on Hong Kong's latest policy and facilitation measures on attracting enterprises and investment.

### InvestHK

Apart from attracting strategic enterprises, the Government attaches great importance to investment promotion work in the Mainland, especially the promotion work in the GBA. With additional recurrent funding of around \$90 million allocated in phases starting from 2022-23, InvestHK has strengthened the manpower and resources of its GBA Business Development Team and Mainland Business Development Team. InvestHK will continue to jointly organise a series of investment promotion events, formulate marketing messages and materials, etc., through the "Pan-Greater Bay Area Inward Investment Liaison Group" established with relevant authorities in the Mainland and Macao, to showcase the business opportunities in the GBA, including the new opportunities in Qianhai and Hengqin, with a view to strengthening collaboration and synergy. InvestHK will also continue to collaborate with the Commerce Bureau of Shenzhen Municipality to jointly organise investment promotion activities to promote the investment opportunities of Hong Kong and Shenzhen to overseas investors.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB004**

**(Question Serial No. 2384)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 119 of the Budget Speech, the Hong Kong Productivity Council has been proactively assisting small and medium enterprises (SMEs) in applying for government subsidies with a view to helping them explore markets. The Financial Secretary proposes to allocate \$100 million to enhance this service in the next 5 years. In this connection, please advise on the details and expenditures of SMEs applying for government subsidies in the past 5 years; how the Government enhances the service of providing subsidies to SMEs; and whether the Government has set quantitative performance indicators for assisting SMEs in exploring the Mainland and overseas markets and conducted a review.

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 25)

Reply:

The details of the funding schemes implemented under the Commerce and Economic Development Bureau to support small and medium enterprises (SMEs) are as follows:

*Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)*

- The BUD Fund provides funding support to SMEs to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements. In November 2022, the Government raised the cumulative funding ceiling per enterprise to \$7 million.

The implementation of the BUD Fund from 2018 to 2022 is as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of applications approved	479	719	881	898	1 351
Number of beneficiaries [Number of SMEs <sup>Note</sup> out of the beneficiaries]	359 [348]	667 [646]	825 [801]	843 [818]	1 204 [1 172]
Amount of grants approved by the Government (\$)	218 million	419 million	585 million	633 million	966 million

Note: Manufacturing enterprises which employ fewer than 100 persons and non-manufacturing enterprises which employ fewer than 50 persons are regarded as SMEs.

#### *SME Export Marketing Fund (EMF)*

- The EMF provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million and has extended the special measure to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the “local market”, as well as relaxing the eligibility criteria to cover non-SMEs.

The implementation of the EMF from 2018 to 2022 is as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of applications approved	9 025	11 919	10 764	13 998	15 888
Number of beneficiaries [Number of SMEs <sup>Note</sup> out of the beneficiaries]	5 570 [5 570]	6 801 [6 801]	5 750 [5 750]	6 209 [6 109]	7 500 [7 273]
Amount of grants approved by the Government (\$)	167 million	299 million	240 million	232 million	332 million

Note: Manufacturing enterprises which employ fewer than 100 persons and non-manufacturing enterprises which employ fewer than 50 persons are regarded as SMEs.

Moreover, the Trade and Industry Department provides funding support through the Trade and Industrial Organisation Support Fund to non-profit-distributing organisations such as trade and industrial organisations, professional bodies and research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The 2022 Policy Address has set a relevant task indicator for the above funding schemes, namely to increase the amount of funding approved for supporting SMEs to \$900 million per annum on average in 2022 and 2023, an increase of 5% over the annual average amount approved in 2019-2021.

In 2023-24, the Government will continue to assist enterprises in developing more diversified markets and enhancing their competitiveness through various funding schemes, and enhance SMEs understanding of government funding schemes through various promotion channels, as well as encourage better utilisation of the support provided by the Government.

The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million into the BUD Fund and to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly reduced by half as compared with the 60-working-day pledge for general applications of the BUD Fund.

In addition, the Government established “SME ReachOut” in January 2020 to help SMEs identify suitable government funding schemes and answer questions relating to applications. The Financial Secretary announced in the 2023-24 Budget to allocate \$100 million to enhance the service of “SME ReachOut” in the next 5 years. Specifically, starting from October 2023, the Government will allocate funding to the Hong Kong Productivity Council to gradually step up the services of “SME ReachOut”, including arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, and increasing the publicity in social media so as to step up the promotion of government funding schemes. At the same time, more one-on-one consultation sessions will be provided to assist SMEs in applying for government funding and building their capacities, and enhancing their competitiveness through leveraging new technologies.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB005****(Question Serial No. 1353)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (8) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

While the estimate for 2023-24 (\$150.3 million) is 5.4% lower than the original estimate for 2022-23 (\$158.9 million), it is \$5.9 million (4.1%) higher than the revised estimate for 2022-23. This is mainly due to the COVID-19 epidemic which affected the spending progress of the Competition Commission. As compared with the actual expenditure incurred in 2021-22 (\$123.4 million), however, the provision for 2023-24 is 21.8% higher. There are no matters requiring special attention in 2023-24, and the targets and indicators of the key performance measures are more or less the same as those in 2021-22.

In this connection, please inform this Committee of:

1. the reasons for the increase of 21.8%; and
2. the influence of the COVID-19 epidemic on the work of the Competition Commission, apart from its spending progress in 2022-23.

Asked by: Hon CHAN Siu-hung (LegCo internal reference no.: 33)

Reply:

The Government provides subvention to the Competition Commission (the Commission) for the Commission to implement its various functions under the Competition Ordinance. The subvention granted to the Commission for 2023-24 is estimated to be around \$150 million, which is for the Commission's daily operation and its litigation work.

During the COVID-19 pandemic, the Commission adjusted its mode of operation in view of the pandemic situation to ensure that its daily operation would not be significantly affected. For example, the Commission made more use of webinars and social media in conducting publicity and public education activities, etc. In September 2022, the Commission rolled out Hong Kong's first docudrama series on competition law cases, "COMPETE: Cartel

Hunters”, co-produced with Radio Television Hong Kong (RTHK), to deepen public understanding of the Ordinance as well as the Commission’s work. The 5-episode docudrama was aired on RTHK’s television channel and is available on RTHK’s and the Commission’s online platforms. A city-wide publicity campaign was also run by the Commission in tandem via outdoor, radio, online and social media platforms for extensive promotion. As of February 2023, the docudrama and its related videos garnered a total of over 3.45 million views on different online platforms.

On the other hand, as the COVID-19 pandemic affected the operation of the court to a certain extent, the Commission’s progress in litigation work was inevitably affected, resulting in lower levels of actual expenditure in 2021-22 and revised estimates in 2022-23, as compared to the original estimates. Moreover, the nature and complexity of litigation cases handled by the Commission vary, and the litigation estimates of each year are also adjusted in accordance with the progress and developments of the cases concerned. Hence, the estimates of different years should not be compared directly.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB006**

**(Question Serial No. 1377)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2023-24, the Hong Kong Trade Development Council will help Hong Kong and international businesses capitalise on the promising opportunities offered by the National 14th Five-Year Plan with the Greater Bay Area development as a central theme, including further supporting Hong Kong businesses, professional services sector and start-ups operating in the Mainland to tap into the opportunities of the Mainland market through the Support Scheme for Pursuing Development in the Mainland. In this connection, will the Government inform this Committee of:

- (1) the specific measures for facilitating Hong Kong people and entrepreneurs in tapping into business opportunities in the Mainland, as well as the expenditure and manpower involved in the past 3 years;
- (2) the total number of applications received, number of applications approved and number of beneficiaries since the launch of the Support Scheme for Pursuing Development in the Mainland; and
- (3) the work plans of the Government on supporting Hong Kong people and entrepreneurs in developing the Mainland market, the expenditure involved and the key performance indicators set for 2023-24?

Asked by: Hon CHAN Siu-hung (LegCo internal reference no.: 13)

Reply:

While constrained by the epidemic in the past 3 years, the Hong Kong Trade Development Council (HKTDC) provides multi-faceted support to assist Hong Kong enterprises in exploring the Mainland market. Apart from the local support provided by its Mainland offices, the HKTDC also implements a number of support programmes such as the Transformation Sandbox (T-Box) programme for small and medium enterprises (SMEs), the

“GoGBA one-stop platform” for exploring the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Start-up Express programme for start-ups, and the Support Scheme for Pursuing Development in the Mainland (the Scheme) for Hong Kong enterprises on the Mainland, etc. Noting the gradual stabilisation of the epidemic, the HKTDC has also fittingly launched EXHIBTION+ to help SMEs seize opportunities during the epidemic through connecting overseas buyers and sellers in an online-offline hybrid mode to leverage the advantages of physical trade exhibitions and online procurement platforms.

Starting from mid-2022, the HKTDC has been working in an online-offline hybrid mode in organising various activities under the Scheme, with a view to minimising the impact of anti-epidemic measures and serving more Hong Kong enterprises. With the relaxation of the Mainland’s anti-epidemic restrictions in early December 2022, more offline activities could be organised. Up to January 2023, the HKTDC has organised more than 100 events of different types, in which more than 9 400 business representatives participated. The formats of these events include introduction and briefing of the current policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc. Different sectors, ranging from finance, innovation and technology, professional services, biomedicine, catering, environmental protection to cultural and creative industries, have been covered. In 2023-24, the HKTDC will continue to organise different types of activities under the Scheme, including organising cross-province or cross-region missions and arranging matching with local officials and Mainland enterprises, etc. to allow Hong Kong enterprises on the Mainland to better understand relevant business policies and market trends, and to help them establish new business connections.

In addition, the HKTDC launched the “GoGBA one-stop platform” in June 2021 to provide important economic and trade information about the cities of the GBA, and help Hong Kong enterprises build network and promote business opportunities in the GBA. Meanwhile, the HKTDC has also established “GoGBA Business Support Centres” with its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan to assist Hong Kong enterprises in starting and developing businesses in the GBA, and will continue to look for suitable partners to set up “GoGBA Business Support Centres” in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises.

The HKTDC will continue to organise online and offline promotion activities and arrange Hong Kong enterprises to participate in major Mainland exhibitions to promote Hong Kong’s unique brands and products, helping Hong Kong products and brands enter the Mainland market. For instance, the HKTDC will organise flagship events during the Guangdong-Hong Kong Cooperation Week in May 2023, including SmartHK in Guangzhou to promote Hong Kong’s technology, professional services and creative industries, and Chic HK in Shenzhen to promote Hong Kong’s product design and brands.

From 2022-23 to 2024-25, the Commerce and Economic Development Bureau provides an additional funding of \$45 million per annum (i.e. a total of \$135 million) to the HKTDC for implementing the Scheme, supporting Hong Kong people and businessmen in exploring the Mainland market through a variety of channels. The activities held or to be organised are subject to the needs of the market and the trade, hence no specific indicator has been set.

Apart from the additional funding totalling \$135 million for the Scheme, the expenditure and manpower for the other work have been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB007****(Question Serial No. 2937)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) Regarding the arrangement of Special 100% Loan Guarantee implemented since April 2020, what are the numbers of total applications, the numbers of re-applications, the numbers of applications approved, the total and median loan amounts, the numbers of default cases and the amounts borne by the Government because of the default cases in 2020-2021, 2021-2022 and 2022-2023?
- (2) Regarding the principal moratorium, what are the total number of applications and the median of the principal moratorium duration approved?

Asked by: Hon CHAN Wing-kwong (LegCo internal reference no.: 17)

Reply:

From its launch in April 2020 to end February 2023, the application and default figures of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS) are as follows:

	<b>April to December 2020</b>	<b>2021</b>	<b>2022</b>	<b>January to February 2023</b>
Number of Applications Received	26 111	22 739	14 305	1 987
Number of Applications Approved	25 328	21 679	11 579	1 766
Total Loan Amount of Approved Cases (\$)	39.66 billion	41.94 billion	33.63 billion	5.72 billion
Average Loan Amount of Approved Cases (\$)	1.57 million	1.93 million	2.9 million	3.24 million

	<b>April to December 2020</b>	<b>2021</b>	<b>2022</b>	<b>January to February 2023</b>
Number of Benefitted Enterprises	19 575	9 798	5 550	991
Number of Default Cases	5	266	1 241	433
Loan Guarantee Amount of Default Cases (\$)	0.01 billion	0.42 billion	2.46 billion	0.97 billion

Note: Each enterprise may make more than one application, including for the increase of loan amount and use of different guarantee products under the SFGS.

Borrowing enterprises may apply for principal moratorium for a duration of 12 months, and apply for a renewal when the relevant arrangement is about to expire, with the maximum duration up to 42 months. As at end February 2023, among the approved applications, principal moratorium applies to a total of 42 203 cases.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB008**

**(Question Serial No. 2143)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Encourage the Telecommunications Industry to Invest in Infrastructure

As announced in the Budget, the Government has proposed to encourage the telecommunications industry to invest in infrastructure. As users find that there is either no telecommunications signal or a direct switch to roaming service near the boundary of the Northern Metropolis, will the Government inform this Committee whether the signal problems in boundary areas or other rural areas will be improved with the proposal to encourage the telecommunications industry to invest in infrastructure?

Asked by: Hon CHAN Yuet-ming (LegCo internal reference no.: 27)

Reply:

To improve the coverage of high speed broadband services in remote areas, the Government has launched the “Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas” (the Subsidy Scheme) since 2018 with a view to encouraging fixed network operators through provision of financial incentives to extend fibre-based networks to a total of 235 villages in remote areas (including boundary and rural areas), providing 110 000 villagers with higher Internet access speed and more stable broadband services. By end 2022, the Subsidy Scheme has already extended fibre-based networks in more than 120 villages, providing broadband services with a speed ranging from 200Mbps to 2Gbps. The Office of the Communications Authority will continue to actively follow up with the extension works in the remaining villages, targeting to cover all villages with fibre-based networks by 2026.

To promote smart city development, the Government is proactively enhancing the 5G network coverage in Hong Kong. To further improve network coverage in specific locations, particularly new development and remote areas, we plan to amend the Telecommunications Ordinance (Cap. 106) and relevant guidelines to ensure that appropriate space is made available in new buildings for installation of mobile communications facilities by

telecommunications operators, with a view to enhancing coverage of 5G networks in preparation for future development of more advanced mobile communications technology.

Besides, the Government will continue to assist mobile network operators (MNOs) in installing Radio Base Stations (RBS), including opening up about 1 500 suitable government premises for MNOs to install RBS at a nominal rent (\$1 per year) through a streamlined application process. The Government has also established a mechanism to facilitate the installation of RBS at sheltered bus stops, public payphone kiosks and smart lamp-posts.

The above measures will help expand the existing overall network coverage to improve telecommunications services in areas including boundary and rural ones.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB009****(Question Serial No. 0044)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Bureau plans to “position Hong Kong as the ideal two-way business hub for the Greater Bay Area, the Association of Southeast Asian Nations (ASEAN) and the wider Regional Comprehensive Economic Partnership with the rest of the world” in the coming year.

1. Will this plan involve duty visits to the Greater Bay Area cities, ASEAN countries and other countries? If yes, what are the estimated manpower and expenditure involved respectively?
2. Regarding the work to be carried out in the Greater Bay Area cities, ASEAN countries and other countries to promote Hong Kong, please provide in a table the contents and numbers of the activities to promote Hong Kong's business opportunities and the total expenditure involved.
3. Please provide the manpower and expenditure involved for the Bureau to liaise with ASEAN countries in the past 3 years.

Asked by: Hon CHAN Yung (LegCo internal reference no.: 14)

Reply:

The Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the five financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts.

To further promote the business opportunities of the GBA and Hong Kong's role in its development, the HKTDC's GoGBA programme will be strengthened with additional “GoGBA Business Support Centres” planned in Huizhou, Jiangmen and Zhaoqing in the next

few years to increase support across the GBA's 9 core cities. In addition, the HKTDC will hold business networking activities in different GBA cities and step up publicity efforts to increase the public's understanding of the GBA development.

With the Association of Southeast Asian Nations (ASEAN) and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance promotion efforts such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.

The above work has been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB010**

**(Question Serial No. 0053)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, the Bureau will “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”.

1. Please provide the percentage of investment funded by enterprises with overseas Chinese capital in the overall investment funded by overseas enterprises;
2. please provide the manpower and expenditure incurred in promoting the Belt and Road Initiative to and maintaining liaison with overseas Chinese and their enterprises in the work on the Belt and Road Initiative in the past 3 years;
3. please provide the number of enquiries and requests for assistance from overseas Chinese handled in the past 3 years; and
4. will the Bureau work with other organisations for promoting the work on the Belt and Road Initiative? If yes, what are the organisations involved and the amount of provision to be earmarked?

Asked by: Hon CHAN Yung (LegCo internal reference no.: 8)

Reply:

In taking forward the Belt and Road (B&R) Initiative, in 2023-24, the Government will continue to proactively play the roles of “facilitator” and “promoter” and work with the Hong Kong Trade Development Council (HKTDC) as well as other stakeholders, including major chambers of commerce and professional bodies in Hong Kong. The Government will co-organise the 8th Belt and Road Summit as a highlight with HKTDC, continue to organise a series of business exchanges and interface activities, and organise mission(s) to seek out business opportunities in B&R related countries and regions.

The total estimated expenditure of the Belt and Road Office in 2023-24 is about \$37.44 million, which is included in the financial provision under Programme (2) Commerce and Industry. In addition, to further assist Hong Kong enterprises and investors in opening up markets, the Commerce and Economic Development Bureau will provide additional funding of \$550 million in total to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development and tapping into emerging markets as well as stepping up our global promotional efforts.

The Government of the Hong Kong Special Administrative Region (HKSAR) attaches great importance to the communication with overseas Chinese and the overseas Chinese community in foreign countries and the Mainland. The 14 overseas Economic and Trade Offices of the HKSAR Government engage with the local Hong Kong people and maintain communication. The 5 Mainland Offices of the HKSAR Government also have contact and exchange with the associations of Hong Kong people in the Mainland as well as the national and regional overseas Chinese organisations, invite the relevant organisations to participate in their activities in order to unite the people who love the country and Hong Kong to contribute to the development of the country and Hong Kong, and tell the good story of China and Hong Kong.

The Government does not have the statistics of enterprises with overseas Chinese capital in Hong Kong or the figures in relation to enquiries and requests for assistance from overseas Chinese.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB011**

**(Question Serial No. 1327)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2023-24, the Bureau will “continue to strengthen policy work related to overseas ETOs, including enhancing their functions and formulating strategies on expansion of the ETO network”. In this connection, please provide the following information:

1. Will there be additional manpower or funding for the ETOs in ASEAN countries? If yes, please provide details.
2. Will the ETOs in ASEAN countries be restructured to better promote economic and trade exchanges between Hong Kong and ASEAN countries?

Asked by: Hon CHAN Yung (LegCo internal reference no.: 32)

Reply:

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. ASEAN is one of the HKSAR Government's primary liaison targets. We had as early as 1995 established the Hong Kong Economic and Trade Office (ETO) in Singapore to manage bilateral affairs between Hong Kong and ASEAN. As Hong Kong and ASEAN developed closer relations, the HKSAR Government established an ETO in Jakarta, Indonesia, so as to strengthen our communication with ASEAN and facilitate our liaison with the ASEAN Secretariat situated also in Jakarta. Thereafter, in 2019, the HKSAR Government successfully set up the Bangkok ETO which became our third ETO in ASEAN. The Bangkok ETO, in co-ordination with the Singapore and Jakarta ETOs, will continue to enhance our representative network in Southeast Asia. The 10 ASEAN countries under the respective purview of the 3 ETOs are as follows:



Hong Kong Economic and Trade Office in Singapore      Laos, Singapore and Vietnam

Hong Kong Economic and Trade Office in Jakarta      Representing the Government of the Hong Kong Special Administrative Region in matters between Hong Kong and ASEAN as a whole, and covering Brunei Darussalam, Indonesia, Malaysia and the Philippines

Hong Kong Economic and Trade Office in Bangkok      Cambodia, Myanmar and Thailand

The establishment of 3 ETOs in the ASEAN region is comparable to that of the United States (San Francisco, Washington, New York) and Europe (Berlin, Brussels, London) and has proven to be effective.

The 3 ETOs in ASEAN have strived to maintain close liaison with the government and business sectors under their purview, so as to promote our unique status under “One Country, Two Systems” and our multi-faceted advantages, as well as the profound opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development. The ETOs have co-operated with and assisted Principal Officials of the HKSAR Government in visiting ASEAN countries. For example, in September 2022, the Secretary for Commerce and Economic Development attended the 6th ASEAN Economic Ministers-Hong Kong, China Consultations in Cambodia, and joined the celebratory luncheon for the 25th Anniversary of the establishment of the HKSAR in Phnom Penh, with an aim to promote business opportunities in Hong Kong to the local business sector; in November, the Chief Executive personally attended the APEC Economic Leaders’ Meeting and led a business delegation to visit Thailand, thereby telling good stories of Hong Kong with individuals across the social spectrum.

Apart from that, in line with the “Competing for Talents and Enterprises” strategy and objective, the Government has concurrently set up the Dedicated Teams for Attracting Businesses and Talents (The Dedicated Teams) at the 3 ETOs in ASEAN and other ETOs in December 2022, to support the work of the Office for Attracting Strategic Enterprises led by the Financial Secretary and the Hong Kong Talent Engage under the Labour and Welfare Bureau, to provide facilitating service for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs will, through various means and channels, proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world’s top 100 universities and Hong Kong residents studying or working overseas, so as to promote Hong Kong’s opportunities and advantages, and our various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

The HKSAR Government will continue to, on the basis of Hong Kong’s trade interest and needs, proactively explore the feasibility and relevant details in setting up ETOs in various countries, so as to further enhance Hong Kong’s global trade and economic network

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB012**

**(Question Serial No. 1328)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (4) Broadcasting

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “overseeing RTHK in fulfilling its mission as a public service broadcaster”, will the Bureau introduce more China Central Television channels or programmes to enable members of the public to deepen their understanding of the national development and acquire more comprehensive knowledge of the actual condition of our country?

Asked by: Hon CHAN Yung (LegCo internal reference no.: 33)

Reply:

As a government department and the public service broadcaster, Radio Television Hong Kong (RTHK) is under the policy purview and housekeeping oversight of the Commerce and Economic Development Bureau (CEDB) and is abided by the public purposes and mission under the Charter of Radio Television Hong Kong (the Charter). CEDB, in accordance with the Charter, has all along been monitoring the overall programme production and editorial stance of RTHK for its full compliance with the functions and responsibilities of the public service broadcaster with a view to meeting public expectation. RTHK, led by the Director of Broadcasting as Editor-in-Chief, is responsible for implementing the overall programmes. Regarding the introduction of Mainland's broadcast channels or programmes, RTHK will continue to strengthen the partnership with the China Media Group and broadcast more Mainland programmes/programme channels on RTHK and nurture the community's affection for our country.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB013****(Question Serial No. 1919)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As the Government has been implementing the SME Financing Guarantee Scheme (SFGS) for years with continuous enhancement, what are the specific achievements? Please set out figures on the applications received and approved as well as the total loan amount approved under the SFGS and the SME Loan Guarantee Scheme in the past year, and provide a breakdown of the loan amount approved by actual interest rate (i.e. less than 2%, 2-5%, 5-8%, 8-10%, and more than 10%).

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 28)

Reply:

From January 2022 to end February 2023, the application figures of the SME Financing Guarantee Scheme (SFGS) (including 80%, 90% and Special 100% Guarantee Products) are as follows:

Number of Applications Received	21 911
Number of Applications Approved	18 407
Total Loan Amount of Approved Cases (\$)	55.95 billion

As the SME Loan Guarantee Scheme (SGS) ceased to receive applications since 1 April 2021, there are no relevant application figures for the past year.

As at end February 2023, the distribution of loan amounts for cases approved but not yet matured under the 80% and 90% Guarantee Products of the SFGS and SGS by the effective loan interest rate is as follows:

	<b>SFGS (80% and 90% Guarantee Products)</b>	<b>SGS <sup>Note</sup></b>
Not higher than 3%	\$1.17 billion	\$0.037 billion
Higher than 3% but not higher than 5%	\$19.62 billion	\$0.421 billion
Higher than 5% but not higher than 8%	\$32.22 billion	\$0.271 billion
Higher than 8% but not higher than 10%	\$4.06 billion	\$0.018 billion
Higher than 10%	\$0.11 billion	\$0.011 billion

Note: These figures include only loans at fixed annual interest rates which account for about 64% of the total number of applications approved under the SGS. Loans at floating rates are not included.

The annual interest rate for all loans under the Special 100% Guarantee Product is the Hong Kong Prime Rate, as specified by Hong Kong Mortgage Corporation Limited from time to time, minus 2.5% (or equivalent), i.e. the effective interest rate is currently at 3.375% per annum. From its launch in April 2020 to end February 2023, the total loan amount of approved cases of the Special 100% Guarantee Product is \$120.94 billion.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB014****(Question Serial No. 0810)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since its launch, the Special 100% Loan Guarantee for Enterprises has provided timely relief for enterprises amid the epidemic. In the current financial year, the Government extends the application period by half a year. In this connection, will the Government advise this Committee of the following:

1. Since the launch of the Special 100% Loan Guarantee for Enterprises, how many companies have applied for the loans? What is the total loan amount approved?
2. Under the macro environment with economic downturn caused by the epidemic, has the Government assessed the number of applicant enterprises which would be unable to repay the loans they have borrowed under the Special 100% Loan Guarantee for Enterprises between the launch of the scheme and the first quarter of 2023? What is the default rate involved?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 5)

Reply:

From its launch in April 2020 to end February 2023, the application and default figures of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS) are as follows:

Number of Applications Received	65 142
Number of Applications Approved	60 352
Total Loan Amount of Approved Cases (\$)	120.94 billion
Number of Benefitted Enterprises	35 914
Number of Default Cases	1 945
Default rate	3.2%

Since the launch of the product, the Government has been providing relief measures such as concessionary low interest and time-limited principal moratorium, which have greatly reduced the burden on small and medium enterprises. The default rate of the product has been lower than expected. The Government will continue to closely monitor the applications and operation of the SFGS.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB015****(Question Serial No. 0812)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (8) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the details about the Competition Commission's promotional and educational efforts to publicise the Competition Ordinance. What are the details and timetable of such efforts, as well as the manpower and expenditure involved in 2023? Has the Government conducted any evaluations on the effectiveness of such efforts? If yes, what are the details; if not, the reasons for that?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 7)

Reply:

The Competition Commission (The Commission) has been proactively reaching out to the public and businesses through various channels to enhance their understanding of the Competition Ordinance (the Ordinance) and encourage compliance. In 2022-23, the Commission launched various publicity and public education activities, as well as over 50 in-person or online engagement briefings, conferences, workshops and major seminars, targeting businesses (including small and medium enterprises), the legal community, public bodies, students and the general public. \$7.7 million of the Commission's revised budget was spent on publicity and public education activities, which did not include staff cost and other general expenses which could not be quantified separately.

In September 2022, the Commission rolled out Hong Kong's first docudrama series on competition law cases, "COMPETE: Cartel Hunters", co-produced with Radio Television Hong Kong (RTHK), to deepen public understanding of the Ordinance as well as the Commission's work. The 5-episode docudrama was aired on RTHK's television channel and is available on RTHK's and the Commission's online platforms. A city-wide publicity campaign was also run by the Commission in tandem via outdoor, radio, online and social media platforms for extensive promotion. As of February 2023, the docudrama and its related videos garnered a total of over 3.45 million views on different online platforms. Furthermore, the Commission rolled out an educational programme "Cartel Hunters – Learn

more about the Competition Ordinance” for senior secondary school students. Based on 2 episodes of the abovementioned docudrama, a teaching kit has been designed for teachers to introduce the Ordinance to senior secondary school students in an interesting and light-hearted manner.

In 2022-23, the Commission also continued to use different social media platforms to promote the Ordinance and the Commission’s work to the public to expand its online reach. The Commission also regularly uploaded the latest education and promotion videos.

In 2023-24, riding on the success of the docudrama, the Commission will continue to launch publicity and public education activities in various formats, including advocacy campaigns on particular competition issues, such as seminars, briefings, exhibitions, etc. The Commission will also produce new publications to assist the public and businesses to further understand and comply with the Ordinance.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB016****(Question Serial No. 0813)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards the continuous promotion of the further development of wine-related businesses in Hong Kong, please provide details including specific measures, manpower deployment and the expenditure required, etc. What were the annual volumes of wine being imported and exported, their respective value and the changes in such figures in each of the past three years (i.e. 2020, 2021 and 2022)? How many people were engaged in wine-related businesses in Hong Kong and what were the changes in such figures during the same period? How would the Government assess the impact of the post-pandemic global economic environment on Hong Kong's position as a wine distribution hub?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 8)

Reply:

The Government exempted the wine duty in 2008, with a view to unleashing the potential of wine-related businesses and benefitting the economy. Hong Kong has since become a regional wine trading and distribution hub and one of the largest wine auction centres in the world.

According to the Census & Statistics Department, the wine trading figures from 2020 to 2022 for Hong Kong are as follows:

Imports

Year	Total Value (\$ hundred million)	Year-on-year Change	Total Volume (ten million litre)	Year-on-year Change
2022	80	-24.7%	3.5	-10.3%
2021	106	+41.2%	3.9	+12.4%
2020	75	-14.7%	3.5	-15.8%

#### Re-exports

Year	Total Value (\$ hundred million)	Year-on-year Change	Total Volume (ten million litre)	Year-on-year Change
2022	23	+45.1%	0.8	-19.9%
2021	16	+77.4%	1.0	+54.1%
2020	9	-40.4%	0.7	-40.7%

We will continue to co-ordinate the work of relevant bodies that organise wine-related trade and investment activities, including the Hong Kong International Wine & Spirits Fair organised by Hong Kong Trade Development Council (HKTDC) and the Hong Kong Wine and Dine Festival organised by Hong Kong Tourism Board. HKTDC, HKSAR Government's Offices in the Mainland and its overseas Economic and Trade Offices would continue to assist the industry in exploring potential markets not only in the Mainland, but also those in the region. The Hong Kong Quality Assurance Agency would also continue to operate its wine registration and wine storage certification schemes that would help showcase Hong Kong traders' reputation.

As the pandemic stabilises and economic activities gradually recover, we expect that a number of wine-related exhibition events in Hong Kong will resume this year and this will help maintain Hong Kong's role as the regional wine trading and distribution hub.

The work arising from the implementation of the above measures will continue to be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for this Bureau. It is difficult to quantify such expenditure separately.

We do not have the latest statistics on the number of people engaged in wine-related businesses.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB017**

**(Question Serial No. 0814)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On continuing to implement the Local Mask Production Subsidy Scheme under the Anti-epidemic Fund, please advise if a review of the Scheme and an assessment of the future demand for masks have been conducted following the end of the epidemic and the lift of the masking requirement. If yes, what are the details; if no, what are the reasons?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 9)

Reply:

The Government launched the Local Mask Production Subsidy Scheme under the Anti-epidemic Fund in March 2020 to facilitate the establishment of local mask production facilities so as to address the severe shortage situation then. Under the Subsidy Scheme, the Government provided capital subsidy to the 20 production lines and procured masks from them for 1 year from mid-2020. The Government also provided technical support through the Hong Kong Productivity Council to 35 other production lines to increase local production. Since then, there had been gradual increase in mask supply, with price and quality greatly improved. The Subsidy Scheme has achieved its policy objective, and will be concluded after the documents submitted by the production lines are vetted and the funds are disbursed.

Note: Funding for measures under the Anti-epidemic Fund is outside the scope of the Appropriation Bill or the estimates of the General Revenue Account.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB018**

**(Question Serial No. 1118)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To encourage the telecommunications industry to invest in infrastructure, it is proposed in the Budget has proposed to provide tax deduction for the spectrum utilisation fees to be paid by the future successful bidders of radio spectrum. What are the specific arrangements and details of the tax deduction, including the eligibility criteria for and the rate of such deduction, maximum deductible limit, implementation timetable, estimated expenditure and manpower required?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 3)

Reply:

To encourage telecommunications network operators' more active investment in infrastructure for providing better communication services to companies and the public, the Budget has proposed to provide tax deduction for the spectrum utilisation fees to be paid by the future successful bidders of radio spectrum. The Commerce and Economic Development Bureau is actively knocking out details with relevant departments with a view to implementing the proposal as soon as possible. The relevant work will be handled by existing manpower resources.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB019**

**(Question Serial No. 1137)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary proposes to further inject \$500 million into the BUD Fund (the Dedicated Fund on Branding, Upgrading and Domestic Sales) and, at the same time, launch “BUD Easy” to expedite the processing of applications. In this connection, please advise on the following:

1. In 2023-24, what are the respective numbers of small and medium enterprises (SMEs) expected to apply for the Fund and be granted funding support? What will be the amount of funding to be approved?
2. What are the features of the “BUD Easy” platform, such as how the processing procedures will be enhanced, how much processing time can be saved and whether the entire application process will go electronic?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 23)

Reply:

The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly reduced by half as compared with the 60-working-day pledge for general applications of the BUD Fund. An online application service has been provided for the BUD Fund since 2020 to facilitate enterprises in submitting applications. This service will also apply to “BUD Easy”.

We expect around 3 500 applications will be received by the BUD Fund in 2023, and the approved funding amount will be about \$1.1 billion. We will continue to step up the publicity work so as to encourage more enterprises to leverage government funding to undergo upgrading and restructuring.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB020****(Question Serial No. 1138)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

It is stated in the Budget that the Government will continue to allocate resources to further promote and develop the “original grant patent” (OGP) system to tie in with Hong Kong’s innovation and technology (I&T) development. An additional funding totalling \$10 million will be allocated to the Intellectual Property Department (IPD) in the next 2 years for employing and nurturing its patent examiners as well as progressively developing a talent pool, with a view to acquiring institutional autonomy in conducting substantive patent examination by 2030. In this connection:

1. Since the launch of the OGP system in December 2019, what are the total number of standard patents granted and the I&T fields involved? What are the average and longest processing time?
2. What is the expected number of standard patent applications to be received in 2023-24? Has the Government explored how to streamline the existing examination procedures? If yes, what are the results and the enhancement measures? How much processing time is expected to be shortened on average?
3. What are the detailed arrangements for employing and nurturing patent examiners, including the number of examiners to be employed and nurtured each year, how to nurture examiners specifically, whether there are sufficient in-house professionals in the IPD to participate in the training, and whether industry practitioners and institutions will be consulted and invited to participate in the training?
4. Has the Government assessed the type and number of professionals required for Hong Kong to acquire institutional autonomy in conducting substantive patent examination?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 24)

## Reply:

Since the launch of the “original grant patent” (OGP) system in December 2019 and up to the February 2023, the Patents Registry (the Registry) had granted a total of 42 standard patents by original grant, involving the technical fields in healthcare technology, environmental technology, advanced materials, information technology, electrical and mechanical engineering, logistics technology, etc.

The Registry examines each application for standard patent by original grant in accordance with the statutory requirements and procedures under the prevailing patent law. The processing time of each application will vary according to individual circumstances and various factors, including the technical fields involved in the applications, the patent filing strategies of the applicants (for instance, whether or not the applicants have requested early publication of the contents of the applications within the statutory non-disclosure period, sought voluntary amendments of the applications, given timely responses to the examination notices issued by the Registry, etc.). Regarding the 42 standard patents by original grant mentioned above, the average processing time from receipt of the applications to grant of patents by the Registry is about 21 months (with the longest case being over 3 years), which is similar to the processing time required by major patent offices in the world. It is projected that the number of applications for standard patents by original grant in 2023 is 190.

The Intellectual Property Department (IPD) will closely monitor the trend of applications for standard patents by original grant, and will continue to promote the OGP system to the innovation and technology sector, small and medium-sized enterprises and start-ups, technology transfer offices of universities, research and development institutions, etc. through different channels. The IPD has also implemented a number of measures to enhance and refine the application procedures for standard patents by original grant, including reducing the examination time of the applications where the applicants have confirmed that no voluntary amendments would be sought, and allowing applicants to defer formality examination in order to preserve their flexibilities to make voluntary amendments of applications. The IPD will continue to enhance the application procedures for standard patents by original grant and enhance its examination efficiency, thereby providing more convenient and quality services to applicants.

The IPD will continue to enhance the capability of the examiners under the OGP system. As set out in the 2022 Policy Address, the IPD will progressively increase the number of its patent examiners to about 100, with a view to acquiring institutional autonomy in conducting substantive patent examination by 2030. In February 2023, the IPD had a total of 13 OGP examiners, with establishment covering the three major technical fields of electricity, chemistry and mechanical engineering. An additional funding totalling \$10 million will be allocated to the IPD in the two years 2023-24 and 2024-25 for employing and nurturing more patent examiners. The IPD’s medium-term goal is to expand the patent examination team to about 40 examiners in 2025.

As for training, newly recruited patent examiners will first receive the IPD’s internal basic training (including instructions on patent laws given by its in-house lawyers) and a 4-month training programme provided by the China National Intellectual Property Administration for patent examiners. On-the-job training and work guidance to the patent examiners covering the writing of examination reports and review of search results will also be provided by their



team heads or supervisors and in-house lawyers so as to enhance their examination skills and legal knowledge. Having regard to the work and development needs of individual patent examiners as well as the latest development on the patent front, the IPD will also continuously arrange appropriate training programmes and exchanges for them, with a view to consolidating their professional knowledge and examination capability. When formulating the training programmes for patent examiners, the IPD has drawn reference from the relevant arrangements of other patent offices in training of patent examiners while ensuring that its training programmes suit local needs.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB021****(Question Serial No. 1139)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The Copyright (Amendment) Ordinance 2022 will come into operation on 1 May this year to further strengthen copyright protection in the digital environment and enhance the competitiveness of Hong Kong's copyright regime. Will the Government embark on a new round of review by mid or late 2023? If yes, what are the details and timetable, and will the issue of illicit streaming devices (ISDs) be fully examined in such review, including assessing whether there has been any improvement to the ISDs issue since the introduction of the Ordinance? Also, will the Government commence discussion on copyright issues relating to artificial intelligence? Has the Budget earmarked any funding for the new round of review?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 25)

**Reply:**

To strengthen copyright protection in the digital environment, the Copyright (Amendment) Ordinance 2022 will come into operation on 1 May this year, following which the Government will embark on a new round of review as soon as possible as part of our ongoing efforts to enhance the competitiveness of our copyright regime. We will communicate with different stakeholders on the next round of copyright review so as to focus on issues that they are most concerned about and on which consensus among different stakeholders on way forward is easier to reach. This will ensure that the new round of copyright review exercise can be proceeded orderly. In this regard, the Commerce and Economic Development Bureau (CEDB) and the Intellectual Property Department (IPD) are actively conducting necessary preparatory work and will commence discussion with relevant stakeholders in due course.

Regarding the problem of illicit streaming devices (ISDs), the Customs and Excise Department (C&ED) will upon commencement of the Ordinance, continue to step up inspections and enforcement in co-operation with copyright owners. Depending on the

circumstances and evidence of individual cases, the C&ED will take enforcement actions in accordance with the Copyright Ordinance (Cap. 528) as amended to further combat online piracy. We will continue to monitor the international developments on this issue, with a view to reviewing the feasibility of introducing specific provisions in future to combat ISDs.

As for copyright issues related to artificial intelligence, since the relevant copyright issues involve complex considerations and have long-term impacts on society as a whole, we will consider the development of these issues in overseas jurisdictions and collect different stakeholders' views in formulating a way forward for the review.

The new round of copyright review exercise is part of the regular work of CEDB and IPD and will be carried out with existing resources.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB022**

**(Question Serial No. 1140)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To encourage the innovation and technology sector to forge ahead with more research and development (R&D) activities and create more patented inventions with market potential, it is announced in the Budget that the Government will introduce a “patent box” tax incentive to provide tax concessions for profits sourced in Hong Kong from qualifying patents generated through R&D activities. In this connection, please advise on the following:

1. the preliminary details of the proposed “patent box” tax incentive, including the earliest introduction date, concessionary tax rate, conditions and restrictions of the tax concessions, etc.; whether the relevant industries and experts have been consulted before formulating the draft; if so, their comments that have been adopted;
2. the earliest expected date for conducting industry consultation on the “patent box” tax arrangement and the duration of the consultation period; and
3. the expected expenditures and manpower to be involved regarding the consultation to be conducted this year and the legislative amendment exercise to be carried out in the first half of the coming year.

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 26)

Reply:

To encourage the innovation and technology sector to forge ahead with more research and development (R&D) activities and create more patented inventions with market potential, we will introduce a “patent box” tax incentive to provide tax concessions for profits sourced in Hong Kong from qualifying patents generated through R&D activities. We will consult the trade on the “patent box” tax arrangements within this year. Our target is to submit the legislative amendment proposals to the Legislative Council in the first half of 2024.

When formulating the “patent box” tax incentive, we will ensure that the relevant arrangements comply with international tax standards. To ensure that the relevant R&D outcomes comply with Hong Kong’s requirements for patent registration (for instance, it is an invention that is new, involves an inventive step and is industrially applicable), we will also consider requiring taxpayers who apply for the “patent box” tax incentive to apply for or be granted with an “original grant patent” (OGP) of Hong Kong for their R&D outcomes. This is also in line with our policy to continuously develop the OGP system. In addition, we will make reference to the “patent box” tax incentives of other overseas tax jurisdictions in coming up with competitive tax arrangements and concessionary tax rate in order to maintain our competitiveness, and tie in with our goal to develop Hong Kong into a regional intellectual property trading centre.

The relevant consultation and legislative amendment work will be carried out with existing resources, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB023****(Question Serial No. 1185)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The Budget Speech reads “as this year marks the 10th anniversary of the Belt and Road (B&R) Initiative, the Government will continue to co-organise the annual B&R Summit with the HKTDC to actively promote Hong Kong as a functional platform and a key link for the B&R Initiative”. That aside, has the Government earmarked funds for organising relevant large-scale activities, such as forming large delegations of invited representatives from the commercial and industrial sectors, including those of the practitioners and enterprises from the innovation and technology industry, to visit the B&R countries for business collaboration? If yes, what is the amount of funds to be earmarked, and what are the details, including the destinations and durations, of such overseas visits?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 37)

**Reply:**

This year marks the 10th anniversary of the Belt and Road (B&R) Initiative. The Government will co-organise the 8th Belt and Road Summit (Summit) as a highlight with the Hong Kong Trade Development Council (HKTDC). We will align with the planning of relevant Mainland authorities, and actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, and business and professional sectors, and will underline the opportunities availed to Hong Kong by the Middle East markets by building on the outcome of the Chief Executive's visit to the Middle East in February this year.

Moreover, the Commerce and Economic Development Bureau (CEDB) will leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp B&R business opportunities. Such include the planning of a business mission for B&R related enterprises based in Hong Kong to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance their understanding of

the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as “facilitator” in our country’s international circulation. We will also organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the Association of Southeast Asian Nations and the Middle East, etc. The CEDB will also discuss with the Ministry of Commerce on jointly organising Mainland and Hong Kong enterprises and professional services to “go global” together again with a view to promoting our professional services. Furthermore, the CEDB is planning a series of business exchanges and interface activities and producing television short clips and publication(s), etc., on cases and experience sharing so as to enhance community understanding of the B&R Initiative.

The total estimated expenditure of the Belt and Road Office in 2023-24 is about \$37.44 million. The expenditure of various measures has been subsumed under the overall estimated expenditure, and cannot be quantified separately.

In addition, to further assist Hong Kong enterprises and investors in opening up markets, the CEDB will provide additional funding of \$550 million in total to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets as well as stepping up our global promotional efforts.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB024**

**(Question Serial No. 2014)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (5) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Bureau monitors the implementation of the Trade Descriptions Ordinance in tackling unfair trade practices that might be deployed in consumer transactions.

1. What were the numbers of investigations and prosecutions, the particulars and judgments of the cases in relation to suspected contravention of the Trade Descriptions Ordinance in the past 5 years? Please set out the information by year.
2. What were the details and resources allocated for the relevant education and publicity work in each of the past 5 years? What will be the situation in the coming financial year? Has the Government considered further increasing the relevant resources in order to raise the awareness of the public and the business sector?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 7)

Reply:

As the enforcement agencies of the Trade Descriptions Ordinance (TDO), the Customs and Excise Department (C&ED) and the Communications Authority have all along flexibly deployed resources and enforced the TDO by adopting a three-pronged approach, i.e. enforcement, compliance promotion as well as publicity and public education, in order to protect consumers through combatting common unfair trade practices at source.



The figures in relation to the enforcement of the TDO by C&ED in the past 5 years are as follows:

Offence	Breakdown of figures	2018	2019	2020	2021	2022
False trade descriptions	Number of investigations initiated	89	106	106	88	71
	Number of prosecutions	34	49	37	54	47
	Number of convicted companies/ persons	42	48	52	61	43
	Amount of fines	\$1,000 to \$130,000	\$1,000 to \$50,000	\$1,800 to \$40,000	\$1,600 to \$80,000	\$1,000 to \$134,000
	Imprisonment (without suspended sentence)	-	3 months	-	9 months	3 months and 2 weeks
	Imprisonment (suspended years)	14 days (1 year) to 6 months (3 years)	2 months (3 years) to 8 months (2 years)	3 months (1 year)	-	4 months (2 years)
	Community service order	80 to 240 hours	50 to 180 hours	100 to 120 hours	80 to 100 hours	60 to 150 hours
Misleading omissions	Number of investigations initiated	5	6	1	6	12
	Number of prosecutions	10	6	6	5	10
	Number of convicted companies/ persons	7	5	5	3	9
	Amount of fines	\$3,000 to \$5,000	\$2,000 to \$3,000	\$2,000 to \$5,000	\$4,000 to \$10,000	\$500 to \$23,000
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (suspended years)	2 months (2 years)	-	3 months (1 year)	-	-
	Community service order	160 hours	80 hours	150 to 200 hours	180 hours	40 to 200 hours
	Probation order	-	12 months	-	-	-

Offence	Breakdown of figures	2018	2019	2020	2021	2022
Aggressive commercial practices	Number of investigations initiated	13	21	4	8	4
	Number of prosecutions	0	26	10	0	6
	Number of convicted companies/ persons	0	6	7	7	14
	Amount of fines	-	-	-	-	-
	Imprisonment (without suspended sentence)	-	3 weeks to 3 months	3 weeks to 4 months	9 to 20 months	2 to 27 months
	Imprisonment (suspended years)	-	9 months (2 years)	-	-	2 weeks (2 years)
	Community service order	-	90 to 120 hours	81 hours	-	100 to 160 hours
Bait advertising	Number of investigations initiated	0	2	0	0	0
	Number of prosecutions	0	2	0	0	0
	Number of convicted companies/ persons	2	3	0	0	0
	Amount of fines	\$10,000	\$8,000 to \$40,000	-	-	-
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (suspended years)	-	-	-	-	-
	Community service order	180 hours	-	-	-	-
Bait and switch	Number of investigations initiated	2	1	0	0	0
	Number of prosecutions	3	0	0	0	0

Offence	Breakdown of figures	2018	2019	2020	2021	2022
	Number of convicted companies/ persons	2	0 @	0	0	0
	Amount of fines	\$5,000	- @	-	-	-
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (suspended years)	-	-	-	-	-
	Community service order	120 hours	- @	-	-	-
Wrongly accepting payment	Number of investigations initiated	16	4	28	17	20
	Number of prosecutions	5	2	37	2	1
	Number of convicted companies/ persons	4	2	2	4	3
	Amount of fines	\$24,000 to \$40,000	\$30,000	-	\$10,000	-
	Imprisonment (without suspended sentence)	-	-	14 months	3 to 5 months	18 months
	Imprisonment (suspended years)	14 days (1 year)	-	16 days (1 year)	-	-
	Community service order	-	80 hours	-	-	120 hours
Other offences under the TDO ^	Number of investigations initiated	17	8	3	1	0
	Number of prosecutions	14	8	4	2	2
	Number of convicted companies/ persons	15	8	4	2	4
	Amount of fines	\$1,000 to \$10,500	\$1,000 to \$5,000	\$2,000 to \$10,000	\$2,000 to \$14,000	\$2,000 to \$5,000

Offence	Breakdown of figures	2018	2019	2020	2021	2022
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (suspended years)	-	-	-	-	-
	Community service order	-	-	-	-	-

@ Convictions of 1 case in 2019 were quashed on appeal (the number of convicted companies/persons was 2, the amount of fines was \$10,000 and the hours of community service order were 80).

^ Such as the offences under sections 4 and 12 of the TDO.

The number of investigations initiated by the Office of the Communications Authority (OFCA) on the complaints involving possible breach of the TDO are as follows:

Offence	2018	2019	2020	2021	2022
False trade descriptions	223	193	147	181	148
Misleading omissions	150	117	79	89	66
Aggressive commercial practices	6	1	3	2	1
Bait advertising	2	2	1	0	2
Bait and switch	0	3	0	1	1
Wrongly accepting payment	6	4	4	3	3

In the past 5 years, OFCA did not initiate any prosecutions, but issued advisory letters to relevant licensees in 42 cases, urging them to pay attention and improve relevant trade conduct towards consumers, and issued a warning letter to warn the relevant licensee to immediately stop and not to repeat the trade conduct concerned in 1 case.

On compliance promotion, by proactive visits to different business sectors and conducting briefings, the enforcement agencies provide traders with advice and guidance on the legal requirements under the TDO as well as measures that should be taken for complying with the TDO.

On publicity and public education, the enforcement agencies, in collaboration with the Consumer Council (the Council), have launched extensive publicity and education programmes, raising consumers' awareness of unfair trade practices, promoting the concept of "smart consumption", and also promoting good practices among traders.

The work on compliance promotion as well as publicity and public education carried out by the enforcement agencies in the past 5 years included:

- C&ED held a total of 175 outreach talks, seminars and meetings for various industries to help enhance practitioners' understanding of the TDO, remind them of the importance of complying with the TDO, and urge the management to take appropriate measures to avoid unscrupulous trade practices;

- C&ED launched a publicity campaign themed “Combatting Against Unfair Trade Practice, Addressing People’s Concerns and Difficulties in Daily Life” in August 2022. Promotional videos and comics were published at C&ED’s social media platforms to reveal unfair trade practices in the fitness, renovation, employment agency and beauty services sectors, thereby reminding members of the public to avoid falling into traps. Meanwhile, C&ED conducted publicity campaign at newly established public housing estates in Tuen Mun District to remind members of the public about common unfair trade practices in the renovation sector by distributing promotional leaflets as well as to remind traders to comply with the provisions under the TDO; and
- OFCA held a total of 15 roving exhibitions, 9 public lectures and 52 community lectures to raise public awareness of the unfair trade practices involving the broadcasting or telecommunications industry and how the TDO would provide protection to consumers.

In 2023-24, the enforcement agencies will continue to strengthen the work on compliance promotion as well as publicity and public education. The expenditure involved has been subsumed within the Departments’ provisions. It is difficult to quantify it separately.

On the other hand, the Council conducts a wide range of publicity and education through various channels, including:

- featuring TDO-related studies and analysis on different topics in the “CHOICE” magazine published by the Council, so as to strengthen the awareness of the public and offer consumers alerts and suggestions, and always responding to questions related to the TDO at its monthly press conference of the “CHOICE” magazine and routine media enquiries;
- in response to the needs of the under-privileged groups (such as the elderly), organising community talks to introduce the TDO in collaboration with social and community services organisations to help participants have deeper understanding of consumption issues relevant to them through case sharing, and to remind the under-privileged groups and their families of ways to safeguard their consumer rights and interests and to seek help from enforcement agencies when necessary;
- organising the “Consumer Culture Study Award” annually in collaboration with the Education Bureau to help secondary school students enhance their understanding of the TDO through activities such as consultation sessions and workshops; and
- implementing the “Support Programme for Persons with Special Needs” since late 2020, through providing training kits and case study videos featuring trade malpractices and unscrupulous sales traps deployed by the fitness and beauty centres, and organising the train-the-trainer talks and workshops to facilitate social workers and teachers to educate the target groups (including persons with autism spectrum disorder, mild intellectual disability and common mental disorder) on the awareness and prevention of relevant trade malpractices and unscrupulous sales traps, thereby strengthening their self-protection capacity.

In 2023-24, the Council will continue to strengthen the above work. The expenditure of the Council on publicity and education work related to the TDO has been subsumed in the Council's establishment and the Government's subvention for the Council. It is difficult to quantify it separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB025****(Question Serial No. 2017)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In this financial year, the Government continues to seek early accession to the Regional Comprehensive Economic Partnership (RCEP). Please inform this Committee of the following:

1. What were the manpower and resources allocated for the work over the past 3 years? What will be the situation in this financial year?
2. What is the latest progress of the application for accession to the RCEP? Does the Government expect that the accession process will be very likely to be completed within this year?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 10)

Reply:

Upon the entry into force of Regional Comprehensive Economic Partnership (RCEP)<sup>Note 1</sup> on 1 January 2022<sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong's formal accession request, and actively made use of various regional fora to reiterate Hong Kong's keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices have also maintained close contact with

trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

As the relevant work is implemented by existing manpower and is part of the regular duties of the Commerce and Economic Development Bureau, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory State (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB026****(Question Serial No. 2018)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

Regarding the Dedicated Fund on Branding, Upgrading and Domestic Sales (the BUD Fund) and the SME Export Marketing Fund, please advise on the following:

1. What is the number of applications received so far after the Government increased the cumulative funding ceiling per enterprise under the BUD Fund from \$6 million to \$7 million? What are the number of cases approved, the total amount involved and the maximum funding amount in respect of a single application?
2. What is the number of applications received so far after the Government increased the cumulative funding ceiling per enterprise under the SME Export Marketing Fund from \$0.8 million to \$1 million to assist small and medium enterprises (SMEs) in developing markets outside Hong Kong, with coverage of exhibitions and online exhibitions targeting the local market and the eligibility criteria to be relaxed to cover non-SMEs? What are the percentages of applications involving SMEs and non-SMEs? What are the percentages of applications involving marketing programmes outside Hong Kong and within Hong Kong? What are the respective funding amounts involved for each category? What is the total funding amount?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 11)

**Reply:**

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises (SMEs) to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements. Enterprises can submit multiple applications under the BUD Fund, with the funding ceiling per project capped at \$1 million. Starting from November 2022, the cumulative funding ceiling per enterprise has been raised from \$6 million to \$7 million. From November 2022 to end February 2023, 902 applications in total were received under

the BUD Fund, with 463 applications approved and involving a funding amount of \$316 million. Some of the projects were approved the highest funding amount of \$1 million.

The SME Export Marketing Fund (EMF) provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. The Government raised the cumulative funding ceiling per enterprise to \$1 million in November 2022 and has extended the special measure, implemented since end April 2021, to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the “local market”, as well as relaxing the eligibility criteria to cover non-SMEs. From May 2021 to end February 2023, 42 700 applications in total were received under the EMF, and a total funding amount of around \$600 million was approved. Among the applications received, SMEs and non-SMEs respectively accounted for 97% and 3% of the applications submitted, and received around \$580 million and \$27 million of the funding approved. Promotion activities targeting the local market and markets outside Hong Kong respectively accounted for 39% and 61% of the projects approved, and involved approved funding amounts of around \$260 million and \$340 million.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB027**

**(Question Serial No. 2019)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the formulation of policies on the protection of intellectual property (IP) rights and the development of Hong Kong into a regional IP trading centre, please advise on:

1. the achievements of the Bureau's work in the past 3 years;
2. the Bureau's manpower and resources involved in such work this year;
3. the detailed objectives and contents of the plans and specific work to be carried out by the Bureau this year.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 12)

Reply:

The Commerce and Economic Development Bureau (CEDB) is responsible for formulating policies on protection of intellectual property (IP) rights and the development of Hong Kong into a regional IP trading centre, including overseeing the work on IP promotion, while the Intellectual Property Department (IPD) and the Customs and Excise Department (C&ED) are responsible for the implementation of the specific initiatives.

The 2022 Policy Address has announced that the Government will further develop Hong Kong into a regional IP trading centre from 3 aspects in the short, medium and long term, namely strengthening protection of IP rights, building capacity and promoting widely. The major progress made by CEDB and the IPD in the past three years and the key work plans for 2023-24 are summarised as follows:

### ***Strengthen protection of IP rights***

- The “Original Grant Patent” (OGP) system was launched in December 2019, enabling applicants to file their standard patent applications direct in Hong Kong. The IPD will further promote and develop the OGP system. An additional funding of about \$5 million will be allocated to the IPD in 2023-24 for employing and nurturing more patent examiners as well as progressively developing a talent pool, with a view to acquiring institutional autonomy in conducting substantive patent examination by 2030. Besides, to encourage the innovation and technology sector to forge ahead with more research and development (R&D) activities and create more patented inventions with market potential, we will introduce a “patent box” tax incentive to provide tax concessions for profits sourced in Hong Kong from qualifying patents generated through R&D activities. We will consult the trade on the “patent box” tax arrangements within this year and formulate a competitive concessionary tax rate applicable to Hong Kong. Our target is to submit the legislative amendments to the Legislative Council (LegCo) in the first half of 2024.
- The LegCo enacted the Trade Marks (Amendment) Ordinance 2020 in June 2020, providing a basis in Hong Kong law for the application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) in Hong Kong. The Government is pressing ahead with the necessary preparatory work, including preparing the related subsidiary legislation, finalising the workflow for processing trade mark registration applications filed under the international registration system, preparing for the roll-out of the required information technology system, arranging manpower training, etc. The relevant preparatory work has entered the final stage and is targeted to be completed within this year. In particular, we plan to table the related subsidiary legislation in the LegCo in the first half of this year for negative vetting. Upon completion of the necessary preparatory work, we will seek formal agreement from the Central People’s Government to apply the Madrid Protocol to Hong Kong.
- The Copyright (Amendment) Ordinance 2020 came into operation in June 2020 to enhance the copyright exceptions relating to persons with a print disability. To strengthen copyright protection in the digital environment, the Copyright (Amendment) Ordinance 2022 (the Amendment Ordinance) will come into operation on 1 May this year. The IPD will launch a series of promotional and educational activities to raise the awareness and understanding of the Amendment Ordinance amongst stakeholders and the general public. After the new legislation comes into operation, the Government will embark on a new round of review with a view to enhancing the competitiveness of our copyright regime.
- On facilitation measures for cross-boundary IP protection, the China National Intellectual Property Administration, in collaboration with the IPD and the IP authorities of Guangdong Province and Shenzhen, launched a pilot project on 1 January 2023 for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland, which facilitates Hong Kong applicants to seek patent protection in the Mainland. In addition, with the support of the IPD, the Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) has progressively set up the “Hong Kong Special Administrative Region Intellectual Property Enquiry Points” in 13 cities in the Guangdong Province since October 2021 to facilitate Mainland residents and enterprises

to enquire about matters relating to applications for IP registration in Hong Kong. With the assistance of the Mainland authorities, the IPD also launched a reciprocal enquiry service in February this year, through which Hong Kong residents and enterprises can enquire about matters relating to applications for trade mark registration in the Mainland via email. The IPD and the Mainland authorities will continue to review the implementation of the relevant services and explore the feasibility of enhancing and expanding these services.

### ***Build capacity***

- The IPD launched the IP Manager Scheme for small and medium enterprises (SMEs) in May 2015 with a view to enhancing their IP manpower capacity and boosting competitiveness through IP management and commercialisation. To meet the development needs of the enterprises, the IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops. Up to February 2023, more than 6 100 practitioners had taken part in such training. The IPD will continue to enhance the above Scheme and training courses to provide IP training to different sectors. It is expected that the training courses and practical workshops will continue to attract more than 1 000 participants in the 2023-24 financial year. Moreover, the IPD has been providing free IP consultation services for SMEs. From the pilot launch of the initiative in December 2014 to February 2023, over 590 SMEs had participated in the initiative. Since January 2023, the Law Society of Hong Kong has increased the number of lawyers on the team providing the services and extended the duration of each consultation session.

### ***Promote widely and education***

- The Government has been co-organising the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre every year since 2013. The 2022 Forum was held on 1 and 2 December 2022, and attracted over 14 500 participants of different sectors from 46 countries and regions joining the Forum online and in person. The 2023 Forum will be held on 7 and 8 December 2023.
- In October 2021, the IPD released publicity videos to promote Hong Kong's competitive edge of developing into a regional IP trading centre under the auspices of the National 14th Five-Year Plan, and the supporting services provided by the IPD. To strengthen the promotion of the national support for Hong Kong to develop into a regional IP trading centre, the IPD had worked with Radio Television Hong Kong to produce a television series named "IP • New Opportunities" for broadcast in May 2022, and plans to launch a new series of television programme to promote IP trading in 2023-24.
- On 23 February 2023, the CEDB and the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen Municipality jointly promulgated the "16 Co-operation Measures for the Development of the Qianhai Shenzhen-Hong Kong Intellectual Property and Innovation Hub" (the 16 co-operation measures) which cover co-operation in IP protection, exploitation and transformation, exchange and study, promotion and education, and IP trading. The IPD will continue to work closely with the IP authorities of the Mainland to promote IP protection, management and trading under various collaborative frameworks such as the Guangdong/Hong Kong Expert Group on the Protection of IP Rights, the Pan-Pearl River Delta IP Co-operation Joint Conference and the 16 co-operation measures. To enhance

cross-boundary co-operation on IP trading and services, the IPD also plans to strengthen the IP co-operation programmes related to the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and encourages GBA enterprises to make use of Hong Kong's professional services, such as IP agencies, management and consulting, legal services, arbitration, mediation, accounting, etc.

- In December 2022, the IPD co-organised with the ASEAN Working Group on IP Cooperation an “Online Workshop on IP Commercialisation in a Knowledge-based Economy” which attracted over 500 accumulated live views. The IPD will continue to collaborate with the IP authorities in the Mainland and overseas to promote IP trading and IP commercialisation, including participating in conferences and seminars organised by international and regional IP organisations such as the World Intellectual Property Organization and the Asia Pacific Economic Cooperation's Intellectual Property Rights Experts Group, and signing memorandums of understanding with other economies to foster co-operation and promote IP commercialisation.

In addition, as the law enforcement agency for IP rights, the C&ED makes on-going efforts to enhance public awareness of IP rights through various channels, including seminars and talks organised from time to time in collaboration with the IPD, the Consumer Council, industry associations and major business associations. The C&ED will continue to organise promotional and educational activities to raise the community's awareness of IP rights.

Protecting IP rights and developing Hong Kong into a regional IP trading centre are part of the overall work of the CEDB. It is therefore difficult to quantify the resources required for such efforts separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB028**

**(Question Serial No. 2022)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Bureau will continue to “pursue under the World Trade Organization (WTO) Dispute Settlement Mechanism the case against the revised origin marking requirement of the United States (US) on products originating from Hong Kong” and “maintain close communication with the trade” in the coming year.

1. The panel established under the WTO Dispute Settlement Body ruled last December that the origin marking requirement imposed on Hong Kong products by the US was inconsistent with the most-favoured-nation treatment requirement in respect of origin marking under the General Agreement on Tariffs & Trade 1994. The panel also completely refuted the US’ invocation of security exceptions and recommended the US to bring the measure into conformity. What is the latest status of events? Is it expected that the US will withdraw its non-compliant measures in the near future?
2. What are the current origin marking practice on goods and merchandise of Hong Kong origin and the specific import situation? What are the total numbers of Hong Kong enterprises and goods that are still affected by the situation? What are these products/industries and their percentage shares?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 15)

Reply:

Following the report by the Panel established under the World Trade Organization (WTO) Dispute Settlement Body (DSB) published on 21 December last year, which ruled that the origin marking requirement imposed on Hong Kong products by the United States (US) is inconsistent with WTO rules, the HKSAR Government had written to the US Trade Representative urging the US to respect the Panel’s ruling and recommendations, and to promptly bring the measure into conformity. However, as the US lodged an appeal against

the panel report on 26 January 2023, the report could not be adopted by the DSB, and the implementation of its ruling has to be suspended until the completion of appeal procedures.

As the WTO Appellate Body (AB) is currently not operational due to the US blocking appointments to the AB, following current arrangements, the US' appeal will only be processed when the AB resumes operation. The US' paralysing the operation of the AB on the one hand and lodging an appeal against the panel report at the same time is clearly a self-contradictory move and an abuse of the procedures, designed to evade responsibilities to withdraw the concerned measure on origin marking requirement. The HKSAR Government has unequivocally condemned the move. The HKSAR Government is reserving our right to respond to the US' appeal after the AB resumes operation, and will continue to closely monitor and follow up on developments, as well as to take corresponding actions in order to safeguard Hong Kong's trade interests and rights.

In 2022, the value of Hong Kong's domestic exports to the US was around HK\$7.4 billion, accounting for 0.16% of Hong Kong's total exports. The main products were jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious materials (60%); miscellaneous chemical products (8%); and edible products and preparations (5%).

- End -



**CONTROLLING OFFICER'S REPLY****CEDB029****(Question Serial No. 2032)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. At present, the Hong Kong Trade Development Council (HKTDC) has 50 offices worldwide. Please set out the staff establishment, expenditure on emoluments and total expenditure for each office with a breakdown by city in the past 3 years.
2. Further to the above question, what will be the staff establishment and estimated expenditure of each office of the HKTDC for the next financial year?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 25)

Reply:

The Hong Kong Trade Development Council (HKTDC) has 50 offices across different regions in the world. The geographical coverage of many of them is beyond the countries or cities where they are located. Therefore, the global offices and their estimated budget in 2023-24 is shown by regions in table below:

<b>Region (in alphabetical order)</b>	<b>City where the HKTDC office is located (in alphabetical order)</b>	<b>Estimated budget in 2023-24 (HK\$)</b>
Africa and Middle East	Dubai, Johannesburg, Nairobi, Riyadh, Tel Aviv	\$12,365,000
Americas	Chicago, Los Angeles, Mexico City, New York, Santiago, Sao Paulo, Toronto	\$45,288,000

<b>Region (in alphabetical order)</b>	<b>City where the HKTDC office is located (in alphabetical order)</b>	<b>Estimated budget in 2023-24 (HK\$)</b>
Asia (other than the Middle East) and Pacific	Almaty, Bangkok, Beijing, Chengdu, Chongqing, Dalian, Delhi, Fuzhou, Guangzhou, Hangzhou, Ho Chi Minh City, Jakarta, Kuala Lumpur, Manila, Mumbai, Nanjing, Osaka, Qingdao, Seoul, Shanghai, Shenzhen, Singapore, Sydney, Taipei, Tokyo, Wuhan, Xi'an	\$146,411,000
Europe	Barcelona, Budapest, Frankfurt, Istanbul, London, Milan, Moscow, Paris, Prague, Stockholm, Warsaw	\$59,651,000

- End -

**CONTROLLING OFFICER'S REPLY****CEDB030****(Question Serial No. 2478)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

1. Please tabulate the total expenditures on the one-stop "GoGBA" digital platform, the "HKTDC GBA Centre" in Shenzhen and the "GoGBA Business Support Centres" in various Greater Bay Area cities each year, with a breakdown of the amount of work by type (including handling enquiries, organising talks and seminars, etc.) and the number of participants/participating enterprises.
2. Please advise on the Government's specific performance thus far regarding helping Hong Kong enterprises successfully develop Mainland domestic sales markets in above 3 areas.
3. The Government has plans to further expand the "GoGBA Business Support Centre" network to cover all 9 Mainland cities of the Greater Bay Area. What are the specific timetable and details?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 41)

**Reply:**

The Hong Kong Trade Development Council (HKTDC) launched the "GoGBA one-stop platform" in June 2021 to provide important economic and trade information about the cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and help Hong Kong enterprises build network and promote business opportunities in the GBA. Among others, the GoGBA mobile app, website and e-newsletter have recorded a total of more than 700 000 views thus far which provide business policies and practical information about the GBA as well as diversified cross-boundary business travel tools. The HKTDC has also launched the Go-to Guides series to provide concise information to help Hong Kong enterprises understand more easily the business environment of the Mainland cities of the GBA.

In addition, the “GoGBA one-stop platform” also features physical services. The “HKTDC GBA Centre” established by the HKTDC in Shenzhen strives to provide local promotional support, consultations, training and business matching services, etc. while “GoGBA Business Support Centres” established by the HKTDC and its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan, together with the HKTDC’s office in Guangzhou and SME Centre in Hong Kong, assist Hong Kong enterprises in starting and developing businesses in the GBA.

In 2022-23, amidst the epidemic, the HKTDC organised over 90 events targeting the GBA market in Hong Kong, Guangzhou and Shenzhen, etc., including online and offline consultations, training and seminars, etc., serving more than 5 000 Hong Kong businessmen.

Furthermore, the HKTDC encourages young people to seek business opportunities in the GBA and assists Hong Kong and foreign small and medium enterprises in exploring the GBA market. For instance, the HKTDC assisted enterprises in exhibiting and selling their products as well as using social media promotion to increase their brands’ exposure and popularity on the Mainland. In addition, the HKTDC arranged matching between enterprises, or meetings between enterprises and Mainland industry organisations to explore room for cooperation.

The HKTDC will continue to look for suitable partners to set up “GoGBA Business Support Centres” in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises.

The expenditure for the above work has been subsumed under the overall estimated expenditure of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB031**

**(Question Serial No. 3064)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, the Bureau will continue to plan for new convention and exhibition (C&E) facilities to maintain and consolidate the international status of Hong Kong's C&E industry. Please advise this Committee of the following:

1. What are the latest plans on and progress of the demolition of the 3 government towers in Wan Chai North and the Kong Wan Fire Station for redevelopment into C&E facilities (as well as hotels and Grade A office)? What is the works schedule for the upcoming specific project?
2. What is the progress of the expansion of AsiaWorld-Expo on Lantau Island? How is the planning work for the upcoming project and what is the works schedule?

Asked by: Chou (LegCo internal reference no.: 42)

Reply:

In Wan Chai North, we will redevelop the sites of the 3 government towers and Kong Wan Fire Station into convention and exhibition (C&E) facilities, hotel and grade A offices, providing an estimated additional rentable C&E space of over 30 000 square metres. We have consulted the Wan Chai District Council and Harbourfront Commission on the project and obtained their support. We have commenced the relevant statutory town planning procedure, and will initiate the road gazettal procedure in due course.

The Government anticipates that the construction works of all the replacement building projects under the Wan Chai Government Offices Compound relocation exercise will be completed by 2026, while the reprovisioning of the Kong Wan Fire Station will be completed by 2027. The Wan Chai North Redevelopment project is estimated to be completed by 2034.

The North Lantau Hospital Hong Kong Infection Control Centre constructed under Central Government's support has been assisting in the treatment of COVID-19 patients since its commencement of service in early 2021, playing an important role under the multi-tiered triage and treatment strategy in Hong Kong. The facility is still in operation. Depending on the actual situation, the Airport Authority will commence AsiaWorld-Expo expansion works as soon as possible, in order to substantially increase the rentable C&E space by 50% to 100 000 square metres, as well as to provide a multi-purpose indoor arena with a seating capacity of over 20 000 people.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB032**

**(Question Serial No. 3065)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (7) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How many resources, including funds injection, were allocated by the Government in the past 3 years to support the Consumer Legal Action Fund (the Fund)? What was the financial position of the Fund in each of the past 3 years, and what was its balance as at the end of March 2023?
2. How many cases were handled under the Fund in each of the past 3 years? Please set out the case with brief description by category. Among these cases, how many were further followed up each year by providing legal advice, legal assistance or legal representation by a solicitor and a counsel? Were there any cases in which applicants were financially supported and what was the amount involved in each case? Please tabulate the above information.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 43)

Reply:

The Consumer Legal Action Fund (the Fund) is a trust fund set up with the objective to provide legal assistance to consumers in cases involving significant public interest. The Consumer Council (the Council) is the trustee of the Fund. The Board of Administrators of the Fund is responsible for the overall administration of the Fund, and it approves or rejects applications based on the recommendations of the Management Committee of the Fund.

In handling the applications to the Fund, factors for consideration include whether significant consumer interest or injustice are involved, the number of consumers affected, the chance of success in litigation, and whether there would be deterrent effect on unscrupulous business practices. Legal assistance may be in the form of advice, assistance and representation by solicitor and counsel. The Fund does not provide direct monetary support to the assisted consumers.

From 2019-20 to 2021-22, the expenditure and balance of the Fund each year were as follows:

<b>Year</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Expenditure</b>	\$859,751	\$1,480,751	\$1,198,720
<b>Year-end Balance of the Fund</b>	\$15,582,905	\$14,339,905	\$13,443,904

The Government injected \$10 million to the Fund in 2018-19 to support the operation of the Fund, ensuring that the Fund will continue to have sufficient resources to assist consumers in need in cases involving significant consumer interest. As at 31 January 2023, the balance of the Fund (unaudited) was \$12.36 million (the balance as at end March 2023 is not available at this stage).

From 2019-20 to 2021-22, the number of applications received by the Management Committee of the Fund, brief descriptions of the nature of newly assisted applications and the monetary amount involved, etc. are set out in the table below.

#### **Applications received and newly assisted applications**

<b>Year</b>	<b>Number of applications received</b>	<b>Number of newly assisted applications</b>	<b>Nature of newly assisted applications<sup>#</sup></b>	<b>Amounts in dispute (not including interests and legal costs)</b>
2019-20	11	5	Fitness services agreement (3)*	HK\$189,953
			Columbarium (1)*	Not applicable
			Financial services agreement (1)	HK\$100,000
2020-21	34	6	Home renovation services (3)	HK\$670,213
			Sale and purchase of residential property (1)	HK\$1,842,220
			Fitness services agreement (1)*	HK\$150,688
			Beauty services agreement (1)*	HK\$144,800
2021-22	28	4	Timeshare agreement (1)	HK\$80,000
			Beauty services agreement (2)*	HK\$4,800
			Immigration consultancy services (1)	EUR30,000 (approximately HK\$262,087)
<b>Total</b>	<b>73</b>	<b>15</b>		<b>Approximately HK\$3,444,761</b>

<sup>#</sup> The number in bracket refers to the number of assisted cases involved. Detailed information of assisted cases is set out in the annual reports of the Council. The annual reports have been uploaded to the Council's website.

\* Refers to assisted consumer(s) who sought court declaration and specific performance.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB033****(Question Serial No. 3097)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in tabular form and by industry the number of applications approved each year, and the amounts of loans granted, repayment periods and annual interest rates of such applications under the special 100% loan guarantee scheme for small and medium enterprises since its launch in April 2020. What are the details of the applications made to and approvals granted by banks for principal moratorium arrangement?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 50)

Reply:

From its launch in April 2020 to end February 2023, the figures of the major beneficiary sectors of the applications approved of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme are as follows:

<b>Beneficiary Sector</b>	<b>Number of Applications Approved</b>	<b>Total Loan Amount of Approved Cases (\$)</b>
Trading, Wholesale and Retail	21 562	38.58 billion
Engineering and Construction	5 124	12.78 billion
Manufacturing	3 542	6.81 billion
Others (e.g. Catering, Transportation)	30 124	62.78 billion

The distribution of the repayment period of the aforementioned approved applications is as follows:

<b>Repayment Period</b>	<b>Number of Applications Approved</b>
Less than 1 year	8
Not less than 1 year but less than 2 years	223
Not less than 2 years but less than 3 years	541

<b>Repayment Period</b>	<b>Number of Applications Approved</b>
Not less than 3 years but less than 4 years	11 708
Not less than 4 years but less than 5 years	601
Not less than 5 years but less than 6 years	11 670
Not less than 6 years but less than 7 years	499
Not less than 7 years but less than 8 years	410
Not less than 8 years but less than 9 years	21 874
Not less than 9 years but not more than 10 years	12 818

The annual interest rate for all loans under the Special 100% Guarantee Product is the Hong Kong Prime Rate, as specified by Hong Kong Mortgage Corporation Limited from time to time, minus 2.5% (or equivalent), i.e. the effective interest rate is currently at 3.375% per annum. As at end February 2023, among the approved applications, principal moratorium applies to a total of 42 203 cases.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB034**

**(Question Serial No. 0710)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational Expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Programme, the Commerce and Economic Development Bureau's original financial estimate for 2022-23 was \$770 million, while the revised fiscal expenditure is only \$289 million, a significant drop of 62.5% from the original estimated amount.

In this connection, will the Government inform this Committee of the reasons for the significant drop in the relevant expenditure of the previous financial year as compared with the estimate? Please specify the major areas of work, specific items and amounts of expenditures involved leading to the significant drop in the actual expenditure.

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 1)

Reply:

The 2022-23 revised estimate under Programme (2) Commerce and Industry is \$481.1 million (-62.5%) lower than the original estimate, mainly due to the decrease in estimated cash flow requirement of about \$420 million for the SME Financing Guarantee Scheme (SFGS). The other reduction of about \$60 million in the revised estimate is related to personal emoluments (including vacant posts and staff changes) as well as departmental operating expenses. The cash flow for SFGS was mainly for covering the default claim payments under the Scheme. Given the relief measures such as concessionary low interest and time-limited principal moratorium provided by the Government, the default rates of various guarantee products under the SFGS in 2022-23 were lower than expected. HKMC Insurance Limited, which administers the SFGS, had sufficient fund to cater for default claims and other relevant expenses in 2022-23. Hence, the actual cash flow requirement was accordingly reduced.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB035****(Question Serial No. 0711)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational Expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in this year's Budget that following the pandemic, Hong Kong will fully leverage its unique advantages under "One Country, Two Systems", i.e. enjoying strong support of the Motherland while also being closely connected to the rest of the world. Hong Kong needs to open up the Mainland domestic market internally, and also expand its international economic and trade networks externally. The Commerce and Economic Development Bureau will play an important role in the process, as reflected by its significant workload in supporting commerce and industry in Hong Kong under Matters Requiring Special Attention in 2023-24. As shown under the programme, the estimate for 2023-24 is 567 million. While it represents a significant increase over last year's actual expenditure, it is still far lower than the estimate of 770 million for 2022-23 (a drop by 26.3%).

In this connection, will the Government inform this Committee of the main reasons for the decrease in the estimated expenditure? Please set out the major areas of work, specific items and expenditure involved.

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 2)

Reply:

The 2023-24 estimate under Programme (2) Commerce and Industry is \$202.8 million (-26.3%) lower than the 2022-23 original estimate, mainly due to the decrease in estimated cash flow requirement of about \$420 million for the SME Financing Guarantee Scheme (SFGS). The decrease is partly offset by the increased cash flow of about \$200 million for the Incentive Scheme for Recurrent Exhibitions, as well as increase of about \$20 million for personal emoluments and operating expenses.

The cash flow for SFGS is mainly for covering the default claim payments under the Scheme. Given the relief measures such as concessionary low interest and time-limited principal moratorium provided by the Government, the default rates of various guarantee products under the SFGS in 2022-23 were lower than expected. It is estimated that HKMC Insurance Limited, which administers the SFGS, currently should have sufficient fund to cater for a large part of possible default claims and other relevant expenses in 2023-24. Hence, the estimated cash flow requirement is accordingly reduced.

To support the recovery of the convention and exhibition (C&E) industry, maintain the competitiveness of Hong Kong's C&E industry, as well as consolidate and enhance Hong Kong's status as an international trade centre and C&E hub, the Government will launch the \$1.4-billion Incentive Scheme for Recurrent Exhibitions on 1 July 2023 for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. We expect that the Scheme will provide incentives to over 200 exhibitions.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB036**

**(Question Serial No. 0712)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in one of the Matters Requiring Special Attention in 2023-24 that the Hong Kong Trade Development Council (HKTDC) will help Hong Kong and international businesses capitalise on the promising opportunities offered by the National 14th Five-Year Plan, including further supporting Hong Kong businesses, professional services sector and start-ups operating in the Mainland to tap into the opportunities of the Mainland market through the Support Scheme for Pursuing Development in the Mainland (the Scheme). In this connection, will the Government inform this Committee of:

1. the specific work of the HKTDC under the Scheme to support Hong Kong businesses, professional services sector and start-ups operating in the Mainland in the past year, as well as the regions involved, the relevant expenditures and total number of beneficiary enterprises; and
2. the activities expected to be conducted under the Scheme in 2023-24 as well as the regions and relevant expenditures involved.

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 3)

Reply:

The Hong Kong Trade Development Council (HKTDC), in collaboration with relevant Mainland organisations (including government departments, business associations, and youth and start-up organisations, etc.) and having regard to the situation and needs of Hong Kong enterprises on the Mainland, implements the Support Scheme for Pursuing Development in the Mainland (the Scheme) to help Hong Kong enterprises on the Mainland understand the latest Mainland policies and measures, and grasp the market opportunities in different Mainland locations and industries with a view to aligning with the national development strategy and further developing businesses.

The Scheme covers different areas on the Mainland, with more emphasis putting on the Guangdong-Hong Kong Macao Greater Bay Area. At the early stage, the Scheme is implemented in Mainland cities with more Hong Kong businesses operating (such as Beijing, Shanghai, Guangzhou and Shenzhen), and will give more focus to the key places under the national development strategy (such as Chengdu, Chongqing and Wuhan) later.

During April to September 2022, the HKTDC conducted survey studies to understand the challenges and overall situation faced by Hong Kong enterprises on the Mainland. The HKTDC visited 8 cities to conduct surveys and organise seminars, receiving more than 1 700 replies from Hong Kong enterprises on the Mainland. The feedback showed that Hong Kong enterprises have been affected by the epidemic in varying degrees, and they would like to have more sharing and briefing sessions on the current policies to better understand the markets in various regions for their network expansion. The HKTDC formulated the Scheme to cater for enterprises' needs in accordance with the findings, and planned a series of activities and services in three areas, i.e. market access, business operations and development opportunities.

Starting from mid-2022, the HKTDC has been working in an online-offline hybrid mode in organising various activities, with a view to minimising the impact of anti-epidemic measures and serving more Hong Kong enterprises. With the relaxation of the Mainland's anti-epidemic restrictions in early December 2022, more offline activities could be organised. Up to January 2023, the HKTDC has organised more than 100 events of different types, in which more than 9 400 business representatives participated. The formats of these events include introduction and briefing of the current policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc. Different sectors, ranging from finance, innovation and technology, professional services, biomedicine, catering, environmental protection to cultural and creative industries, have been covered.

In 2023-24, the HKTDC will continue to organise different types of activities under the Scheme, including organising cross-province or cross-region missions and arranging matching with local officials and Mainland enterprises, etc. to allow Hong Kong enterprises on the Mainland to better understand relevant business policies and market trends, and to help them establish new business connections.

From 2022-23 to 2024-25, the Commerce and Economic Development Bureau provides an additional funding of \$45 million per annum (i.e. a total of \$135 million) to the HKTDC for implementing the Scheme.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB037**

**(Question Serial No. 0713)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2023-24 that the Hong Kong Trade Development Council (HKTDC) will position Hong Kong as the ideal two-way business hub for the Greater Bay Area, ASEAN and the wider RCEP with the rest of the world. In this connection, will the Government inform this Committee of the following:

1. What are the HKTDC's specific work plans to facilitate Hong Kong's achievement of such development positioning?
2. What are the estimated manpower and expenditure involved?

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 4)

Reply:

The Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts.

To further promote the business opportunities of the GBA and Hong Kong's role in its development, the HKTDC's GoGBA programme will be strengthened with additional "GoGBA Business Support Centres" planned in Huizhou, Jiangmen and Zhaoqing in the next few years to increase support across the GBA's 9 core cities. In addition, the HKTDC will hold business networking activities in different GBA cities and step up publicity efforts to increase the public's understanding of the GBA development.



With the Association of Southeast Asian Nations (ASEAN) and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance promotion efforts such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.

The above work has been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB038**

**(Question Serial No. 2450)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is proposed in paragraph 119 of the Budget Speech that \$500 million will be further injected into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the “BUD Easy” will be launched at the same time. In this connection, please inform this Council of:

1. the amount of subsidies approved and the number of enterprises benefitted in each of the past 3 years;
2. whether the Government maintains comprehensive statistics on the successful applications, such as the trades of the applicant enterprises, their years of establishment, their numbers of employees, etc.; if so, the details; if not, the reasons;
3. the unsuccessful application rate for BUD Fund as at February 2023; the common reasons for enterprises' unsuccessful applications; and
4. the implementation timetable for “BUD Easy” and the additional manpower establishment involved.

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 20)

Reply:

The implementation of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) from 2020 to 2022 is as follows:

	<b>2020</b>	<b>2021</b>	<b>2022</b>
Amount of grants approved by the Government (\$)	585 million	633 million	966 million
Number of beneficiaries [Number of small and medium enterprises (SMEs) <sup>Note</sup> ]	825 [801]	843 [818]	1 204 [1 172]
[Number of enterprises established for less than 3 years]	[102]	[82]	[129]
Major beneficiary sectors (listed according to the largest number of applications approved)	<ol style="list-style-type: none"> <li>1. Wholesale and Retail</li> <li>2. Import and Export Trade</li> <li>3. Textiles and Clothing</li> <li>4. Information Technology</li> <li>5. Electronics</li> <li>6. Metal Products</li> <li>7. Creative Industries</li> <li>8. Advertisement, Sales and Marketing</li> <li>9. Professional Services (including legal and accounting services)</li> <li>10. Plastics</li> </ol>	<ol style="list-style-type: none"> <li>1. Wholesale and Retail</li> <li>2. Import and Export Trade</li> <li>3. Textiles and Clothing</li> <li>4. Information Technology</li> <li>5. Electronics</li> <li>6. Plastics</li> <li>7. Metal Products</li> <li>8. Industrial Machinery</li> <li>9. Advertisement, Sales and Marketing</li> <li>10. Creative Industries</li> </ol>	<ol style="list-style-type: none"> <li>1. Wholesale and Retail</li> <li>2. Import and Export Trade</li> <li>3. Electronics</li> <li>4. Information Technology</li> <li>5. Textiles and Clothing</li> <li>6. Plastics</li> <li>7. Metal Products</li> <li>8. Toys</li> <li>9. Creative Industries</li> <li>10. Advertisement, Sales and Marketing</li> </ol>

Note: Manufacturing enterprises which employ fewer than 100 persons and non-manufacturing enterprises which employ fewer than 50 persons are regarded as SMEs.

As at end February 2023, the cumulative number of employees benefitted was close to 47 500 persons, among which nearly 34 000 persons were employed by SMEs.

The Government has launched several rounds of enhancements to the BUD Fund since August 2018, with a view to strengthening support to Hong Kong enterprises in developing more diversified markets and enhancing competitiveness, including injecting funding, extending the geographical coverage and increasing the cumulative funding ceiling per enterprise. From August 2018 to end February 2023, the overall approval rate of applications under the BUD Fund was about 73%. Rejection of the applications for the BUD Fund was mainly due to the applicant enterprises' failure to meet the eligibility requirements,

demonstrate their capability in implementing the projects effectively, or provide concrete details of the proposed projects, etc.

The Financial Secretary announced in the 2023-24 Budget to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below. We plan to launch “BUD Easy” in June 2023. The manpower expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department to implement the BUD Fund has been subsumed under the respective overall establishment and estimated expenditure, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB039**

**(Question Serial No. 2461)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the Matters Requiring Special Attention in 2023-24, it is mentioned that the Government will continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation, including seeking early accession to the Regional Comprehensive Economic Partnership (RCEP). In this connection, will the Government advise this Committee:

1. of the administrative expenses and staff establishment that the initiative will involve;
2. of the latest progress on the accession to RCEP;
3. whether the Government has established any intra-departmental task force to enhance the liaison and collaboration with other RCEP members; and
4. whether the Government has evaluated the effectiveness of accession to RCEP in benefiting from the expansion of regional trade and investment; if yes, of the details; if no, of the reasons?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 31)

Reply:

The Regional Comprehensive Economic Partnership (RCEP) is an important milestone in regional economic integration. Joining RCEP will facilitate Hong Kong's participation in regional economic integration, and sustain and strengthen Hong Kong's vital strategic position as an international financial, trade and logistics centre. Moreover, it will contribute towards Hong Kong and the nation's trade relations with other places under international circulation, thereby contributing to regional economic integration. In 2022, the total merchandise trade between Hong Kong and RCEP member economies amounted to US\$857.1 billion, accounting for around 71% of Hong Kong's total merchandise trade;

meanwhile, RCEP member economies are the primary destinations of Hong Kong's outward foreign investment, amounting to more than 60% (66.7%) of our total outward foreign investment. Hong Kong's prospective RCEP membership would further complement supply chain developments in the region, attract more Hong Kong businesses to invest in RCEP member economies, invigorate regional merchandise trade, investment and relevant infrastructure developments, thus enhancing Hong Kong's status as a regional trade centre.

Upon the entry into force of RCEP <sup>Note 1</sup> on 1 January 2022 <sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong's formal accession request, and actively made use of various regional fora to reiterate Hong Kong's keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices have also maintained close contact with trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

The Commerce and Economic Development Bureau will continue to formulate appropriate plans on the basis of the practical situation, and relevant departments will effectively follow-up on matters relevant to RCEP as usual.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory State (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB040**

**(Question Serial No. 2462)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the support to the convention and exhibition industry and the promotion of convention tourism, please advise this Committee on:

1. the number of applications for the Convention and Exhibition Industry Subsidy Scheme in the past 2 years; and
2. the details and implementation timetable of the newly introduced Incentive Scheme for Recurrent Exhibitions.

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 32)

Reply:

The Government launched the Convention and Exhibition Industry Subsidy Scheme in October 2020 with a total commitment of \$1,070 million to reinvigorate the convention and exhibition industry. As at 28 February 2023, the Scheme provided a total subsidy of about \$648 million to 236 exhibitions. In addition, the Government allocated about \$41 million of the Scheme's funding in the fourth quarter of 2021 to provide a one-off immediate relief to private organisers of 73 exhibitions to help them cope with the impact of the prolonged postponement or cancellation of exhibitions under the pandemic.

The Scheme will end on 30 June 2023. Thereafter, the Government will launch the \$1.4-billion Incentive Scheme for Recurrent Exhibitions on 1 July for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. It is expected to provide incentives to over 200 exhibitions.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB041****(Question Serial No. 0845)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The Government launched the subsidy scheme to extend fibre-based networks to villages in remote areas (the subsidy scheme) in 2018 to subsidise fixed network operators (FNOs) to extend fibre-based networks to 235 selected villages located in remote areas, so that the villagers therein can enjoy broadband services with a speed of at least 25 megabits per second (Mbps). In this connection, will the Government inform this Committee of the following:

1. Regarding the funding of \$774.4 million approved by the Finance Committee of the Legislative Council for the subsidy scheme in 2018, please set out in detail the use of the funding so far, including the amount of funding granted for each subsidised project, the particulars of the projects, the FNOs selected and the current balance of the funding.
2. Given that the final completion deadlines for the 6 projects under the subsidy scheme are set between 2025 and 2026, will the Government introduce any short-term transitional measures to provide stable and high-speed fibre-based network services for residents of villages located in remote areas before the completion of the projects?
3. Will the Government conduct timely reviews of the number of villages covered by the subsidy scheme, and consider extending its coverage to benefit more villagers living in remote areas?

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 6)

**Reply:**

In the past, the progress of work on extending telecommunications network coverage to villages in remote areas in the New Territories and outlying islands by fixed network operators (FNOs) was slow due to higher costs of network rollout and a smaller number of subscribers. To provide financial incentives, the Government has launched the “Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas” (the Subsidy Scheme) since 2018, and



approved all 6 tender projects in 2019 and 2020 to facilitate FNOs to extend fibre-based networks to 235 villages in remote areas. The selected FNOs include HGC Global Communications Limited and Hong Kong Telecommunications (HKT) Limited.

The subsidised fibre-based networks are being extended to these 235 villages in phases from 2021 to 2026, benefitting 110 000 villagers and providing the villages concerned with high-speed broadband services. It also provides the backbone infrastructure necessary for further deploying other types of telecommunications services (such as 5G mobile and Wi-Fi services) to benefit villagers and visitors to the countryside.

In 2018, a one-off provision of \$774.4 million was approved by the Finance Committee of the Legislative Council for the above Subsidy Scheme. The Commerce and Economic Development Bureau has also earmarked a total of \$69.8 million to cover the administrative expenses incurred by the Office of the Communications Authority (OFCA) for the implementation of the Subsidy Scheme, including creation of 10 time-limited civil service posts and non-civil service contract posts. By end 2022, the Subsidy Scheme has already extended fibre-based networks in more than 120 villages, providing broadband services with a speed ranging from 200Mbps to 2Gbps. OFCA will continue to actively follow up with the extension works in the remaining villages, targeting to cover all villages with fibre-based networks by 2026.

The Government will continue to monitor the implementation progress of the Subsidy Scheme and evaluate its effectiveness in due course, so as to formulate relevant measures to further improve telecommunications services in remote areas.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB042**

**(Question Serial No. 0852)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To help Hong Kong seize the opportunities arising from the Belt and Road Initiative, the Government established the Belt and Road Office (BRO) in 2016, which is headed by a Directorate Grade 6 rank official. In this connection, please advise this Committee of the following:

1. What were the annual expenditures of the BRO in the past 5 years? Please provide a breakdown of such expenditures.
2. Further to the above, what were the related expenditures of the post of Commissioner for Belt and Road (the Commissioner) in the past 5 years?
3. As both the posts of Commissioner and Deputy Commissioner for Belt and Road are currently vacant, what are the expected time and the timetable for the completion of the recruitment exercises?
4. Are there any key performance indicators set for the work of the Commissioner? What are the details?
5. What are the future work plans and objectives of the Commissioner?

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 13)

Reply:

In the past 5 years, the total expenditure of the Belt and Road Office (BRO) and the salary expenditure of the Commissioner for Belt and Road (CBR) are as follows:

<b>Financial year</b>	<b>BRO's actual total expenditure</b>	<b>CBR's salary expenditure<sup>#</sup></b>
2018-19	\$20.196 million	-
2019-20	\$24.201 million	\$2.521 million
2020-21	\$26.018 million	\$3.276 million
2021-22	\$23.497 million	\$2.554 million
2022-23	\$29.289 million*	\$2.383 million

\* Anticipated total expenditure

<sup>#</sup> The first CBR assumed office in June 2019 and left in October 2021. The successor assumed office in December 2021 and was posted to another civil service post in November 2022.

CBR is a one-rank grade post which can be filled by either a civil servant or a non-civil servant. The Government earlier on conducted an open recruitment for the CBR post, but had not been able to fill the vacancy in the end. After discussing with the Civil Service Bureau, we have just launched a new round of open recruitment exercise.

Regarding the duties of CBR and the Deputy Commissioner for Belt and Road, in light of operational needs, the Commerce and Economic Development Bureau (CEDB) has engaged manpower on non-civil service employment terms so as not to affect the operation of BRO.

This year marks the 10th anniversary of the Belt and Road (B&R) Initiative. The Government will co-organise the 8th Belt and Road Summit (Summit) as a highlight with the Hong Kong Trade Development Council (HKTDC). We will align with the planning of relevant Mainland authorities, and actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, and business and professional sectors, and will underline the opportunities availed to Hong Kong by the Middle East markets by building on the outcome of the Chief Executive's visit to the Middle East in February this year.

Moreover, the CEDB will leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp B&R business opportunities. Such include the planning of a business mission for B&R related enterprises based in Hong Kong to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance their understanding of the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as "facilitator" in our country's international circulation. We will also organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the Association of Southeast Asian Nations and the Middle East, etc. The CEDB will also discuss with the Ministry of Commerce on jointly organising Mainland and Hong Kong enterprises and professional services to "go global" together again with a view to promoting our professional services. Furthermore, the CEDB is planning a series of business exchanges and interface activities and producing television short clips and publication(s), etc. on cases and experience sharing so as to enhance community understanding of the B&R Initiative.

In 2023, the key performance indicators for the BRO are as follows:

- attain altogether no fewer than 7 000 participants in various promotional programmes and networking sessions;
- reach out to no less than 500 professional and business associations, chambers and community groups; and
- organise business missions to 5 B&R countries with about 100 participants.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB043**

**(Question Serial No. 1676)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary proposes “to provide tax deduction for the spectrum utilisation fees (SUF) to be paid by the future successful bidders of radio spectrum”. Please advise on the following:

- 1) the expected time for implementing the arrangement, such as the schedule for legislative amendment and effective date;
- 2) whether there will be any restrictions on tax deduction, such as setting a ceiling of deduction and restricting the use of spectrum;
- 3) the bands to be re-assigned and auctioned in the coming 3 years as well as the estimated amount of SUF involved, and whether consideration has been given to the spectrum demand from commercial satellite services in the calculation of the amount; and
- 4) whether references have been drawn from the SUF reduction measures adopted in the Mainland or overseas, and what policy objectives can be achieved through the measure.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 1)

Reply:

To encourage telecommunications network operators' more active investment in infrastructure for providing better communication services to companies and the public, the Budget has proposed to provide tax deduction for the spectrum utilisation fees (SUF) to be paid by the future successful bidders of radio spectrum. The Commerce and Economic Development Bureau is actively knocking out details with relevant departments with a view to implementing the proposal as soon as possible, with reference to relevant experience in other regions.

We have been providing suitable spectrum in a timely manner for the development of telecommunications services in response to market demands, including satellite communications services.

According to the Spectrum Release Plan promulgated by the Office of the Communications Authority in February this year, not less than 160 MHz of spectrum will be assigned through auctions in the coming 3 years, and the SUF will vary with the characteristics of different spectrum and be determined by auctions. Hence, an estimate of the amount of relevant SUF is not available at present.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB044**

**(Question Serial No. 1695)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (HKTDC) will hold more than 10 major conferences and exhibitions in the coming months. It is anticipated that these events will attract over 500 000 participants. Please advise on:

- 1) the estimated amounts of funding involved and whether they are supported by the 2022-23 or 2023-24 financial provision. Please set out the names, the amounts of funding, the anticipated number of participants, and the source of funding of the conferences and exhibitions; and
- 2) given that this year marks the 10th anniversary of the Belt and Road (B&R) Initiative, how is the preparation for the B&R Summit going? What is the plan for promoting Hong Kong as a functional platform and a key link for the B&R Initiative with a view to fostering the collaboration between Hong Kong and the B&R countries?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 20)

Reply:

The Hong Kong Trade Development Council (HKTDC) held or will hold more than 10 major conferences and exhibitions from March to June this year, expecting over 500 000 participants. The events are listed below:

<b>Event name</b>	<b>Date (Physical fair)</b>
Hong Kong International Jewellery Show	1-5 March
Hong Kong International Diamond, Gem & Pearl Show	1-5 March
EntertainmentPulse	13-16 March
FILMART	14-17 March
eTailingPulse	15 March
MarketingPulse	15 March
Hong Kong Electronics Fair (Spring Edition)	12-15 April
InnoEx	12-15 April
Hong Kong International Lighting Fair (Spring Edition)	12-15 April
Asian Licensing Conference	19-21 April
Hong Kong International Licensing Show	19-21 April
Fashion InStyle	19-22 April
Home InStyle	19-22 April
Hong Kong International Home Textiles and Furnishings Fair	19-22 April
Hong Kong International Printing & Packaging Fair	19-22 April
Hong Kong Gifts & Premium Fair	19-22 April
Hong Kong International Medical and Healthcare Fair	16-18 May
Asia Summit on Global Health	17-18 May

The above work has been subsumed under the overall estimated expenditure of the HKTDC, which cannot be quantified separately.

This year marks the 10th anniversary of the Belt and Road (B&R) Initiative. The Government will co-organise the 8th Belt and Road Summit (Summit) as a highlight with the HKTDC. We will align with the planning of relevant Mainland authorities, and actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, and business and professional sectors, and will underline the opportunities availed to Hong Kong by the Middle East markets by building on the outcome of the Chief Executive's visit to the Middle East in February this year.

Moreover, the Commerce and Economic Development Bureau (CEDB) will leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp B&R business opportunities. Such activities include the planning of a business mission for B&R related enterprises based in Hong Kong to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance their understanding of the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as "facilitator" in our country's international circulation. We will also organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the Association of Southeast Asian Nations and the Middle East, etc. The CEDB will also discuss with the Ministry of Commerce on jointly organising Mainland and Hong Kong enterprises and professional services to "go global" together again with a view to promoting our professional services. Furthermore, the CEDB is planning a series of business exchanges and interface activities and producing television short clips and publication(s), etc. on cases and experience sharing so as to enhance community understanding of the B&R Initiative.



In addition, to further assist Hong Kong enterprises and investors in opening up markets, the CEDB will provide additional funding of \$550 million in total to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets as well as stepping up our global promotional efforts.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB045****(Question Serial No. 3130)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

In 2023-24, the Bureau will “continue to strengthen policy work related to overseas Economic and Trade Offices (ETOs), including enhancing their functions and formulating strategies on expansion of the ETO network”. What are the specific measures in this regard? Are there any plans to require additional funding? If the 3 ETOs in the United States (US) have to cease operation, what countermeasures will the Government take? What plans does the Government have to continue the provision of ETO services for the Americas?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 46)

**Reply:**

To strengthen Hong Kong's trade and economic relations with other places, the HKSAR Government has proactively expanded our network of overseas Hong Kong Economic and Trade Offices (ETOs), and strived to maintain close communications and contact with overseas interlocutors from different sectors and the international community, so as to explain the HKSAR Government's major policies, promote our unique status under “One Country, Two Systems” and our multi-faceted advantages, as well as the profound opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, and to clarify and rebut misinformation about Hong Kong. The 14 ETOs<sup>Note</sup> already covered Hong Kong's major trading partners.

In line with the “Competing for Talents and Enterprises” strategy and objective, the Government has set up the Dedicated Teams for Attracting Businesses and Talents (The Dedicated Teams) at 12 ETOs in December 2022, to support the work of the Office for Attracting Strategic Enterprises led by the Financial Secretary and the Hong Kong Talent Engage under the Labour and Welfare Bureau, to provide facilitating service for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs will, through various means and channels, proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and

Hong Kong residents studying or working overseas, so as to promote Hong Kong's opportunities and advantages, and our various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

In 2022, as the COVID-19 pandemic gradually stabilised, the Washington, New York and San Francisco ETOs have maintained communications with various stakeholders in the US (including federal government officials, congressmen and senators and their aides, state and municipal government officials, think tanks, media organisations, academics, individuals in the cultural and business sectors, and other key opinion leaders) through in-person meetings, holding and participating in conferences and seminars, video and telephone conferences, social media, weekly newsletters and webinars, so as to explain the policy measures of the HKSAR Government, promote our unique advantages and culture, resolutely clarify false reports and misunderstandings, thereby fostering interactions between Hong Kong and the US, continue telling good stories of Hong Kong, and enhancing the work in attracting businesses and talents.

The ETOs' staff have paid close attention to the policy direction of the US government, the political and economic situation, and media reports, so as to reiterate the HKSAR Government's commitment to the faithful implementation of "One Country, Two Systems" and free trade, as well as to uphold Hong Kong's core values that have been integral to our success. The ETOs also explain the most up-to-date situation on the ground in Hong Kong, such as the HKSAR Government's newest policies in response to the COVID-19 pandemic, our arrangements in the resumption of normalcy, the implementation of the HKSAR National Security Law. Through the above, the ETOs seek to rectify misunderstandings, allow individuals from various sectors to gain a more comprehensive understanding of Hong Kong, preserve Hong Kong's international image and our bilateral relations with the US. The ETOs also highlight the profound and mutually beneficial connections between Hong Kong and the US in trade and business.

The HKSAR Government currently has no plans to adjust the establishment of the ETOs in the US. We will continue to ensure that the ETOs devote their best efforts towards promoting Hong Kong. As the above work is a part of the overall commercial relations work of the ETOs, it is difficult to quantify the expenditures and manpower involved separately.

Note: The HKSAR Government currently has 14 overseas ETOs, namely in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB046****(Question Serial No. 2070)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of the usage of the financial provision under Programme (2) Commerce and Industry, please advise on:

- (1) the reasons for a difference of 62% between the estimated and actual expenditures in 2022-23 and the provision items of which the expected usage rates were not achieved; and
- (2) the reasons for a 96% increase in the estimate for 2023-24, details of the items with increased provisions and how the actual usage of the provisions will be guaranteed.

Asked by: Hon KONG Yuk-foon, Doreen (LegCo internal reference no.: 24)

Reply:

The 2022-23 revised estimate under Programme (2) Commerce and Industry is \$481.1 million (-62.5%) lower than the original estimate, mainly due to the decrease in estimated cash flow requirement of about \$420 million for the SME Financing Guarantee Scheme (SFGS). The other reduction of about \$60 million in the revised estimate is related to personal emoluments (including vacant posts and staff changes) as well as departmental operating expenses. The cash flow for SFGS was mainly for covering the default claim payments under the Scheme. Given the relief measures such as concessionary low interest and time-limited principal moratorium provided by the Government, the default rates of various guarantee products under the SFGS in 2022-23 were lower than expected. HKMC Insurance Limited, which administers the SFGS, had sufficient fund to cater for default claims and other relevant expenses in 2022-23. Hence, the actual cash flow requirement was accordingly reduced.

On the other hand, the 2023-24 estimate is \$278.3 million (96.3%) higher than the 2022-23 revised estimate, mainly due to the increased cash flow requirement of about \$200 million for the Incentive Scheme for Recurrent Exhibitions. The remaining increase of about

\$70 million is related to personal emoluments (including expenses arising from filling of vacant posts, staff changes and pay adjustments) as well as departmental operating expenses. The Scheme will be launched on 1 July 2023 for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. With a total commitment of \$1.4 billion, the Scheme is expected to provide incentives to over 200 exhibitions.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB047****(Question Serial No. 2661)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the total amount of provision for the Dedicated Fund on Branding, Upgrading and Domestic Sales, the SME Export Marketing Fund and the SME Financing Guarantee Scheme? Through which financial year is the provision expected to sustain the 3 funds' operation? How will the Government better ensure the quality of approved projects under these funds? Will the Government consider setting up a review group to assess the effectiveness of such policies?

Asked by: Hon KONG Yuk-foon, Doreen (LegCo internal reference no.: 25)

Reply:

*Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)*

The Government launched the BUD Fund of \$1 billion in 2012, and injected thrice since 2018, thereby increasing significantly the total approved commitment of the BUD Fund to currently \$6 billion. The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million into the BUD Fund to increase the total commitment of the BUD Fund to \$6.5 billion, and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below. It is estimated that the proposed injection will enable the BUD Fund to operate up to approximately the second half of 2025.

The Government set up a Programme Management Committee (PMC), with members from the business sectors and small and medium enterprises (SMEs) associations, to oversee the implementation of the BUD Fund. All applications under the BUD Fund are considered by PMC. As the Secretariat of the BUD Fund, the Hong Kong Productivity Council will undertake the initial vetting of applications and relevant supporting documents submitted by enterprises in accordance with the established procedures and the eligibility and funding criteria specified in the Guide to Application. An Inter-departmental Committee comprising representatives from relevant government departments will then vet the applications, and then

submit its recommendations to PMC for consideration and approval. PMC will also monitor the implementation of the approved projects, and regularly review the overall progress and effectiveness of the BUD Fund.

In 2022, 1 351 applications and a funding amount of \$966 million were approved under the BUD Fund, representing an increase of 50% and 53% respectively as compared with 2021.

#### *SME Export Marketing Fund (EMF)*

After the two injections of a total of \$2 billion into the EMF by the Government since 2018, the total approved commitment of the Export Marketing and Trade and Industrial Organisation Support Fund shared by the EMF and the Trade and Industrial Organisation Support Fund (TSF) is \$7.25 billion. As at end 2022-23, the estimated balance is around \$1.925 billion for the two schemes, the EMF and the TSF, to operate until 2027-28 according to the current estimation.

Most applicant enterprises apply for funding support for reimbursement of the eligible expenditure items after the completion of promotion activities. Enterprises are required to provide relevant information and supporting documents for their applications for the Trade and Industry Department's assessment of each application in accordance with the eligibility requirements, funding conditions and requirements as well as procedures specified in the Guide to Application. To be eligible for funding, promotion activities should also fulfil certain requirements, including being organised or operated by organisations with good track record, having a proper scale and theme, being properly designed for the target market, etc., and should be in line with the objective and funding scope of the EMF.

In 2022, 15 888 applications and a funding amount of \$332 million were approved under the EMF, representing an increase of 14% and 43% respectively as compared with 2021.

#### *SME Financing Guarantee Scheme (SFGS)*

The Government has been enhancing the SFGS continuously over the years, including raising significantly the total loan guarantee commitment since 2018 from \$100 million to \$280 billion, to meet the financing needs of SMEs during the economic downturn. The Government appreciates that it takes time for SMEs to consolidate their strengths on the way to recovery. To this end, the Financial Secretary announced in the 2023-24 Budget to extend the application period of all the guarantee products under the SFGS from end June 2023 to end March 2024, thus giving SMEs more room to adjust and secure a firm footing. The Government will continue to monitor closely the application situation and operation of the SFGS.

The Government will tap the views of relevant advisory boards, including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee, on the utilisation of various support measures and the needs of enterprises, with a view to providing appropriate support to the trade.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB048****(Question Serial No. 1142)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Matters Requiring Special Attention in the coming year that the Bureau will “continue to work with the Trade and Industry Department (TID) and the Hong Kong Productivity Council to implement the enhanced Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and other free trade agreements and/or investment promotion and protection agreements markets”.

1. What are the specific plans for further enhancing the BUD Fund in the coming year?
2. Please provide a breakdown of the manpower establishment and revised estimate concerned in the operation of the BUD Fund by the TID in the past 3 years.
3. Please set out the amounts of grants for the approved projects under the BUD Fund in the past 3 years.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 6)

Reply:

The Government has been reviewing the operation and implementation of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) on an on-going basis. The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million into the BUD Fund, and to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly



reduced by half as compared with the 60-working-day pledge for general applications of the BUD Fund.

The manpower expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department to implement the BUD Fund has been subsumed under the respective overall establishment and estimated expenditure, and cannot be quantified separately.

The actual expenditures of the BUD Fund in 2020-21 and 2021-22 were \$583 million and \$636 million respectively, including manpower and other fees provided to the Hong Kong Productivity Council for operating the BUD Fund as well as disbursements to grantees. The 2022-23 revised estimate is \$747 million.

The funding amounts approved for projects under the BUD Fund in the past 3 years are as follows:

	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total funding amounts of the approved applications (\$)	585 million	633 million	966 million
Average funding amounts of the approved applications (\$)	664 000	705 000	715 000

- End -

**CONTROLLING OFFICER'S REPLY****CEDB049****(Question Serial No. 1144)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2023-24, the Hong Kong Trade Development Council will step up support to help Hong Kong small and medium enterprises and start-ups ride out the post-pandemic challenges and adapt to the new normal. What are the concrete details of the implementation of such supporting measures?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 11)

Reply:

The Hong Kong Trade Development Council (HKTDC) has all along been helping small and medium enterprises (SMEs) to expand their markets and to grasp opportunities through its global network, as well as on its physical and digital platforms.

The Government will provide additional funding of \$550 million to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts.

In 2023-24, the HKTDC will step up its support to Hong Kong SMEs and start-ups and help them ride out the post-pandemic challenges and adapt to the new normal through a series of events, creating business opportunities for them. These include:

- organising the first “InnoEX” in Hong Kong, bringing together smart solutions and cutting-edge technologies to facilitate cross-industry collaboration;
- organising “Chic HK” and “SmartHK” in the GBA to promote Hong Kong’s products and services. The latter will focus on Hong Kong’s thriving innovation and technology ecosystem, and will facilitate cooperation between Guangdong and Hong Kong

enterprises via trade matching meetings. The first “GBA Young Entrepreneur Summit” will also be held at the event, inviting leading young entrepreneurs from the region to speak and explore opportunities for collaboration;

- organising the flagship event “Think Business, Think Hong Kong” in Paris, France and featuring the InnoVenture Salon, giving Hong Kong start-ups the opportunity to introduce their innovative technologies to potential partners; and
- setting up “Hong Kong Pavilions” in leading global trade fairs to promote Hong Kong’s professional services and brands internationally, helping Hong Kong companies, especially SMEs, explore global opportunities.

In addition, the HKTDC will continue to support the SMEs and start-ups expanding their business through several supporting measures and services, for example:

- “HKTDC Design Gallery” retail platform helps businesses test the market and expand their retail business in the mainland;
- “Transformation Sandbox (T-box)” provides professional consultation services to help Hong Kong companies build their brand, strengthen their e-commerce and expand to new markets, etc.;
- “GoGBA” provides Hong Kong companies with timely and practical GBA business information and support;
- “Entrepreneur Day” provides relevant information and services for start-ups-to-be;
- “Start-up Express” assists local start-ups in building capability and connections; and
- “Start-up Zones” will be set up at flagship forums and exhibitions, such as the “Asian Financial Forum” and “Asia Summit on Global Health”, to promote Hong Kong’s scientific and technological achievements to international investors and potential partners.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB050**

**(Question Serial No. 1145)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (4) Broadcasting

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Head 152 that the Commerce and Economic Development Bureau will continue to assist in the licensing and regulatory matters in relation to domestic free television programme services, domestic pay television (pay TV) programme services and sound broadcasting services during 2023-24. The Hong Kong Cable Television Limited has surrendered its pay TV licence, which will take effect on 1 June this year. In this connection, will the Government inform this Committee of the following:

1. the support to be provided to better facilitate the business development of different media; and
2. given that i-Cable surrendered its pay TV licence to the Government 6 years ahead of the scheduled expiry in end-May 2029, will the Government encourage other interested parties to enter the pay TV market to maintain market competitiveness?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 13)

Reply:

The objectives of Hong Kong's broadcasting policy are to widen the programme choices for the community, encourage investment and innovation in the broadcasting industry, promote fair and effective competition, and enhance Hong Kong's position as a regional broadcasting hub. In view of the fierce competition from Internet-based infotainment in recent years, the Government has actively relaxed the regulatory regime for the traditional broadcasting sector. For instance, the Broadcasting Ordinance and the Telecommunications Ordinance were amended in 2020 to relax the "cross-media ownership restrictions" and "foreign control restrictions" as well as removing the requirement of "a licensee being a non-subsidiary company". The mid-term review of domestic free television programme service and sound broadcasting licences completed in February this year also optimised and updated the

programme requirements, such as relaxing the restriction on non-designated language programmes on the English channels and removing the outdated regulatory requirements, etc.

The Government has opened up the television market in 2000, including those of the domestic free and pay television services. The operation of pay television business is purely a commercial decision. The Government will not set a ceiling on the number of licences to be granted, but the granting of which would be subject to actual circumstances or technological constraints.

The Government will continue to keep in view the developments in the broadcasting sector, and strive to provide a conducive environment for the continued development of the local broadcasting industry.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB051****(Question Serial No. 1146)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to this year's Budget, a funding of \$550 million will be provided to the Hong Kong Trade Development Council to help Hong Kong enterprises seize opportunities arising from the Belt & Road Initiative and the Greater Bay Area development and tap into emerging markets as well as step up global promotional efforts. What are the implementation details of this initiative?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 14)

Reply:

The Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts.

Since the launch of the B&R Initiative, the HKTDC has been actively building Hong Kong as an international business platform for the Initiative. Through organising large-scale international conferences, delegations, publicity and outreach activities through its global network of 50 offices, the HKTDC has facilitated cooperation between Mainland and Hong Kong enterprises, investors, professional service teams and project owners in countries along the B&R. This year marks the 10th anniversary of the B&R Initiative, the Government and the HKTDC will continue to co-organise the annual B&R Summit to actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will be enriched to highlight achievements of the Initiative over the past 10 years. The HKTDC will also organise business missions to B&R economies and conduct more related market research to help Hong Kong enterprises keep abreast of the latest developments of the Initiative and explore new opportunities.

To further promote the business opportunities of the GBA and Hong Kong's role in its development, the HKTDC's GoGBA programme will be strengthened with additional "GoGBA Business Support Centres" planned in Huizhou, Jiangmen and Zhaoqing in the next few years to increase support across the GBA's 9 core cities. In addition, the HKTDC will hold business networking activities in different GBA cities and step up publicity efforts to increase the public's understanding of the GBA development.

With the Association of Southeast Asian Nations (ASEAN) and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance promotion efforts such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB052**

**(Question Serial No. 1147)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Paragraph 117 of the Budget reads “We are actively seeking to join the Regional Comprehensive Economic Partnership (RCEP) in order to further help Hong Kong build a more comprehensive supply chain and attract more Hong Kong enterprises to invest in the member economies of RCEP, with a view to boosting the trade, investment and relevant development in the region, thereby enhancing Hong Kong’s status as a regional trade centre.”

In this connection, will the Government advise this Committee of: As Hong Kong has already submitted its application for accession to the RCEP in mid-January last year, is there any updates on the application status? If yes, what are the details? If not, when does the Government expect that the application will be approved? Will the Government take forward any work to facilitate the early approval of the application? If yes, what are the details? If not, what are the reasons?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 17)

Reply:

Upon the entry into force of Regional Comprehensive Economic Partnership (RCEP)<sup>Note 1</sup> on 1 January 2022<sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong’s formal accession request, and actively made use of various regional fora to reiterate Hong Kong’s keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong’s readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders’ Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong’s early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP



trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices have also maintained close contact with trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory State (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB053**

**(Question Serial No. 1148)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision for the Commerce and Economic Development Bureau (CEDB) of the Commerce and Economic Development Bureau in 2023-2024 is \$1,881 million, representing a significant decrease of 59% compared to the estimate of \$4,587.4 million for last year. In this connection, please advise this Committee of the following:

1. Will the Bureau elaborate on whether the relevant decrease in the estimate will affect the work of the CEDB in the coming year?
2. Please list by areas of work the operating expenses of the CEDB under Programme (2) Commerce and Industry in the past 3 years.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 18)

Reply:

The 2023-24 estimate of the Commerce and Economic Development Bureau (CEDB) is about \$2.71 billion (-59%) lower than the 2022-23 revised estimate, mainly due to the reduction caused by the transfer of resources arising from the re-organisation of the Government Secretariat, decrease in cash flow requirement for the SME Financing Guarantee Scheme (SFGS), cash flow requirement for the Incentive Scheme for Recurrent Exhibitions to be launched, additional funding to the Hong Kong Trade Development Council (HKTDC), as well as increase in personal emoluments and operating expenses.

Following the re-organisation of the Government Secretariat on 1 July 2022, the work and relevant provisions for the tourism portfolio has been transferred from Head 152 CEDB to Head 132 Culture, Sports and Tourism Bureau, leading to a decrease of about \$2.89 billion. In addition, the cash flow requirement for SFGS in 2023-24 is about \$0.42 billion lower than that in 2022-23.

The cash flow for SFGS is mainly for covering the default claim payments under the Scheme. For the purpose, CEDB provided funding of about \$3.7 billion and \$5.9 billion in 2020-21 and 2021-22 respectively (i.e. a total of about \$9.6 billion) to HKMC Insurance Limited (HKMCI), the administrator of SFGS. Given the relief measures such as concessionary low interest and time-limited principal moratorium provided by the Government, the default rate under SFGS in 2022-23 was lower than expected. It is estimated that HKMCI would have sufficient funding to cater for the default claim payments and other relevant expenses in 2022-23, as well as similar expenses in 2023-24. Hence, we do not need to provide additional funding to HKMCI, and the estimated cash flow requirement in 2023-24 is accordingly reduced.

The reduction in 2023-24 estimated provision of CEDB is partly offset by the increase of provision in other items under Head 152: (i) transfer of provision of about \$0.35 billion for the telecommunications and broadcasting portfolios from ex-Head 55 CEDB (Communications and Creative Industries Branch) to the Head following the re-organisation of the Government Secretariat; (ii) estimated cash flow of about \$0.2 billion for the Incentive Scheme for Recurrent Exhibitions to be launched on 1 July 2023; (iii) additional allocation of \$0.04 billion to HKTDC to strengthen the promotion of Hong Kong <sup>Note</sup>; and (iv) estimated increase of about \$0.01 billion in personal emoluments and operating expenses.

The relevant decrease in estimated provision will not affect the work of CEDB in the coming year.

The actual expenditures under Programme (2) of the CEDB in 2020-21 and 2021-22 were \$4.0114 billion and \$6.1382 billion respectively, including the aforementioned funding of about \$9.6 billion in total for the cash flow for SFGS. The 2022-23 revised estimate is \$0.289 billion which is substantially reduced, as compared with the 2021-22 actual expenditure, owing to the aforementioned reduction in the cash flow requirement for SFGS. The expenditures of respective work areas have been subsumed under the overall expenditure of Programme (2), and cannot be quantified separately.

Note: In 2023-24, the Government has allocated an additional sum of \$0.11 billion to HKTDC to implement the measures to tell the Hong Kong stories and to help the small and medium enterprises to explore and tap into emerging markets. Such allocation is partly offset by the decrease of provision due to the lapse of time-limited allocation (\$0.07 billion).

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB054**

**(Question Serial No. 0289)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In last year's Budget, the Government launched the Support Scheme for Pursuing Development in the Mainland (the Scheme) to assist Hong Kong people and enterprises in tapping business opportunities in the Mainland through the Hong Kong Trade Development Council (HKTDC). Will the Government advise this Committee of the following:

- (i) the expenditure of the Scheme last year and the estimated expenditure for 2023-24;
- (ii) the progress of preparatory work, implementation timetable, requirements and eligibility for application regarding the Scheme;
- (iii) whether research studies on the needs of Hong Kong people and enterprises in the Mainland have been conducted for formulating effective support measures; if yes, of the details; if no, of the reasons; and
- (iv) whether the Government will consider co-operating with such organisations as associations of Hong Kong residents in the Mainland and allowing them to apply for funding from the HKTDC to organise business exchange activities; if yes, of the details; if no, of the reasons?

Asked by: Hon LAM Lam, Nixie (LegCo internal reference no.: 11)

Reply:

The Hong Kong Trade Development Council (HKTDC), in collaboration with relevant Mainland organisations (including government departments, business associations, and youth and start-up organisations, etc.) and having regard to the situation and needs of Hong Kong enterprises on the Mainland, implements the Support Scheme for Pursuing Development in the Mainland (the Scheme) to help Hong Kong enterprises on the Mainland understand the latest Mainland policies and measures, and grasp the market opportunities in different

Mainland locations and industries with a view to aligning with the national development strategy and further developing businesses. The Scheme targets mainly Hong Kong businessmen, young entrepreneurs, professional services practitioners and entrepreneurs operating on the Mainland.

During April to September 2022, the HKTDC conducted survey studies to understand the challenges and overall situation faced by Hong Kong enterprises on the Mainland. The HKTDC visited 8 cities to conduct surveys and organise seminars, receiving more than 1 700 replies from Hong Kong enterprises on the Mainland. The feedback showed that Hong Kong enterprises have been affected by the epidemic in varying degrees, and they would like to have more sharing and briefing sessions on the current policies to better understand the markets in various regions for their network expansion. The HKTDC formulated the Scheme to cater for enterprises' needs in accordance with the findings, and planned a series of activities and services in three areas, i.e. market access, business operations and development opportunities.

Starting from mid-2022, the HKTDC has been working in an online-offline hybrid mode in organising various activities, with a view to minimising the impact of anti-epidemic measures and serving more Hong Kong enterprises. With the relaxation of the Mainland's anti-epidemic restrictions in early December 2022, more offline activities could be organised. Up to January 2023, the HKTDC has organised more than 100 events of different types, in which more than 9 400 business representatives participated. The formats of these events include introduction and briefing of the current policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc. Different sectors, ranging from finance, innovation and technology, professional services, biomedicine, catering, environmental protection to cultural and creative industries, have been covered.

From 2022-23 to 2024-25, the Commerce and Economic Development Bureau provides an additional funding of \$45 million per annum (i.e. a total of \$135 million) to the HKTDC for implementing the Scheme. The HKTDC partners with different Mainland organisations to organise activities, while the organisations do not apply for funding from the HKTDC for organising activities.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB055****(Question Serial No. 2566)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget proposes to provide tax deduction for the spectrum utilisation fees to be paid by the future successful bidders of radio spectrum so as to encourage telecommunications network operators to more actively invest in infrastructure for providing better communication services to companies and the public. In this connection, will the Government inform this Committee of:

- 1) whether any timetables and roadmaps have been formulated for implementing the new regulatory regime for the tax deduction;
- 2) the actual amount of tax deduction involved; and
- 3) the current situation of 5G implementation in Hong Kong.

Asked by: Hon LAM So-wai (LegCo internal reference no.: 24)

Reply:

Telecommunications network operators in Hong Kong launched commercial 5G services in April 2020. At present, the coverage of 5G networks is over 90% of the population, covering major locations in the urban areas and a total of 98 stations in all mass transit railway lines. The network coverage of some operators in core business districts even reached 99%. As of November last year, the number of 5G users was around 4.4 million, representing around 60% of the total population. Hong Kong continues to rank amongst the top globally in terms of 5G coverage according to a report of an international survey organisation.

To encourage telecommunications network operators' more active investment in infrastructure for providing better communication services to companies and the public, the Budget has proposed to provide tax deduction for the spectrum utilisation fees (SUF) to be paid by the future successful bidders of radio spectrum. The Commerce and Economic

Development Bureau is actively knocking out details with relevant departments with a view to implementing the proposal as soon as possible.

We have been providing suitable spectrum in a timely manner for the development of telecommunications services in response to market demands, and the SUF will be dependent on the characteristics of different spectrum and be determined by auctions. Hence, the final tax deduction amount cannot be estimated at present.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB056**

**(Question Serial No. 0601)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) has assisted enterprises in exploring markets outside Hong Kong and benefited more than 3 900 enterprises over the years. The Government proposes to further inject \$500 million into the fund and, at the same time, launch “BUD Easy” to expedite the processing of applications, enabling more small and medium enterprises (SMEs) to make use of the funding to develop their business. In this connection, will the Government inform this Committee of:

1. the total amount injected by the Government into the BUD Fund since its launch in June 2012;
2. the numbers of (a) applications received, (b) applications approved, and (c) applications rejected, with a breakdown by year;
3. the reasons for rejection with a breakdown of the figures by category;
4. the number of enterprises involved in the approved applications each year and how many of them are involved in multiple applications;
5. the expected number of enterprises that will benefit from the Government's proposed further injection of \$500 million into the BUD Fund; and
6. the details of “BUD Easy”, the expected expenditure and manpower involved, and how much faster the approval process will be when compared with the past?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 36)



Reply:

The Government launched the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) of \$1 billion in 2012, and injected thrice from 2018 to 2021, thereby increasing the total approved commitment of the BUD Fund to currently \$6 billion.

The implementation of the BUD Fund in the past 5 years is as follows:

	2018	2019	2020	2021	2022
Number of applications received <sup>Note</sup>	1 082	1 721	3 521	2 580	2 637
Number of applications approved	479	719	881	898	1 351
Number of applications rejected	101	414	234	487	405

Note: Applications received may not be processed in the same year. The figures also include applications that could not be processed owing to the lack of necessary information and applications withdrawn voluntarily by enterprises.

Enterprises can submit multiple applications under the BUD Fund, with the funding ceiling per project capped at \$1 million and the cumulative funding ceiling per enterprise capped at \$7 million. As at end February 2023, there was a total of 4 102 beneficiaries, of which 996 had been approved with more than one application. The rejection of the applications for the BUD Fund was mainly due to the applicant enterprises' failure to meet the eligibility requirements, demonstrate their capability in implementing the projects effectively, or provide concrete details of the proposed projects, etc. There is no breakdown statistics for the rejection reasons.

The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million into the BUD Fund, and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly reduced by half as compared with the 60-working-day pledge for general applications of the BUD Fund.

We expect around 3 500 applications will be received by the BUD Fund in 2023, and the approved funding amount will be about \$1.1 billion. We will continue to step up the publicity work to encourage more enterprises to leverage government funding to undergo upgrading and restructuring.

The estimated expenditure of the BUD Fund in 2023-24 is \$975 million, including manpower and other fees provided to the Hong Kong Productivity Council for operating the BUD Fund as well as disbursements to grantees. The manpower expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department to implement the BUD Fund has been subsumed under the respective overall establishment and estimated expenditure, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB057****(Question Serial No. 0607)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2023-24 that the Government will continue to work with the Office of the Communications Authority to implement a subsidy scheme to encourage the extension of fibre-based networks to villages in rural and remote areas so as to further enhance the higher speed fixed broadband network coverage. In this connection, will the Government inform this Committee of the following:

1. the staff establishment and expenditure/estimated expenditure involved in the scheme for the past 3 financial years and the coming financial year respectively;
2. the implementation progress of the scheme, and (i) the number of projects approved for subsidies, (ii) the number of projects not approved for subsidies, (iii) the amount of subsidies approved; and (iv) the ratio of approved 5G network projects to approved non-5G network projects in the past 3 financial years respectively in tabulated form;
3. whether the Government will consider launching the second phase of the extension scheme to continue to provide fibre-based network services to more remote villages? If yes, what are the details? If no, what measures will the Government take to improve network services for more than 500 remaining villages not covered by the scheme?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 5)

Reply:

In the past, the progress of work on extending telecommunications network coverage to villages in remote areas in the New Territories and outlying islands by fixed network operators (FNOs) was slow due to higher costs of network rollout and a smaller number of subscribers. To provide financial incentives, the Government has launched the "Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas" (the Subsidy Scheme) since 2018, and

approved all 6 tender projects in 2019 and 2020 to facilitate FNOs to extend fibre-based networks to 235 villages in remote areas.

The subsidised fibre-based networks are being extended to these 235 villages in phases from 2021 to 2026, benefitting 110 000 villagers and providing the villages concerned with high-speed broadband services. It also provides the backbone infrastructure necessary for further deploying other types of telecommunications services (such as 5G mobile and Wi-Fi services) to benefit villagers and visitors to the countryside.

In 2018, a one-off provision of \$774.4 million was approved by the Finance Committee of the Legislative Council for the above Subsidy Scheme. The Commerce and Economic Development Bureau has also earmarked a total of \$69.8 million to cover the administrative expenses incurred by the Office of the Communications Authority (OFCA) for the implementation of the Subsidy Scheme, including creation of 10 time-limited civil service posts and non-civil service contract posts. By end 2022, the Subsidy Scheme has already extended fibre-based networks in more than 120 villages, providing broadband services with a speed ranging from 200Mbps to 2Gbps. OFCA will continue to actively follow up with the extension works in the remaining villages, targeting to cover all villages with fibre-based networks by 2026.

The Government will continue to monitor the implementation progress of the Subsidy Scheme and evaluate its effectiveness in due course, so as to formulate relevant measures to further improve telecommunications services in remote areas.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB058**

**(Question Serial No. 2623)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Advanced and more comprehensive telecommunications infrastructure is an important cornerstone of innovation and technology development in Hong Kong. The Government proposes to provide tax deduction for the spectrum utilisation fees to be paid by the future successful bidders of radio spectrum. In this connection, will the Government inform this Committee of the administration cost involved in the tax deduction mentioned above?

Asked by: Hon LAU Kwok-fan (LegCo internal reference no.: 14)

Reply:

To encourage telecommunications network operators' more active investment in infrastructure for providing better communication services to companies and the public, the Budget has proposed to provide tax deduction for the spectrum utilisation fees to be paid by the future successful bidders of radio spectrum. The Commerce and Economic Development Bureau is actively knocking out details with relevant departments with a view to implementing the proposal as soon as possible. The relevant work will be handled by existing resources and manpower.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB059****(Question Serial No. 0690)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong's professional services are always world-class. In particular, our financial services, legal services and dispute resolution services are widely recognised. Please list the plans of the HKSAR Government in 2023-24 to assist local professional organisations in promoting their services to the ASEAN region and to support small and medium enterprises in the professional services industry in tapping into the ASEAN markets more easily. What are the details of the respective plans and the manpower and expenditure involved?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 18)

Reply:

The Government has been actively promoting the development of Hong Kong's professional services, including the continued implementation of the Professional Services Advancement Support Scheme (PASS) to fund non-profit-making industry-led projects to increase exchanges and co-operation between Hong Kong's professional services sector and external counterparts (including the Association of Southeast Asian Nations (ASEAN) market), promote relevant publicity activities, and enhance the standards and external competitiveness of Hong Kong's professional services. As at end March 2023, among the projects submitted by professional bodies and approved under PASS, there had been 6 projects related to the ASEAN market, with a total grant of about \$6.5 million.

In addition, with a view to stepping up the promotion of Hong Kong's competitive edge and professional services to the Mainland and overseas markets, \$50 million has been set aside for the Professionals Participation Subsidy Programme (PSP) under PASS to fund Hong Kong's major professional bodies to participate in relevant activities organised by the Government (such as the Mainland Offices and the overseas Hong Kong Economic and Trade Offices) and the Hong Kong Trade Development Council (HKTDC) after the stabilisation of the epidemic. As the epidemic has gradually stabilised and cross-boundary anti-epidemic measures have been gradually relaxed, PSP has already funded professionals to participate in

two activities organised by HKTDC in the ASEAN market, namely “Hong Kong Infrastructure and Real Estate-related Services Mission to Jakarta, Indonesia” held in Jakarta in February 2023 and “Resolve2win”, a legal and dispute resolution services promotional campaign, held in Bangkok in March 2023. The Government will continue to encourage eligible organisations and Hong Kong professionals to leverage the financial support from PASS to carry out and participate in activities promoting Hong Kong’s professional services. The overall estimated expenditure of PASS in 2023-24 is about \$17 million.

Furthermore, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements (including the ASEAN market). As at end February 2023, over 830 applications targeted at the ASEAN market have been approved under the BUD Fund, involving a funding amount of over \$521 million. The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below. The estimated expenditure of the BUD Fund in 2023-24 is \$975 million.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB060****(Question Serial No. 0691)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Association of Southeast Asian Nations (ASEAN) region, having a population of over 600 million who is relatively young on average, is a consumer market with very great potential. Apart from the existing support programmes launched by the Hong Kong Trade Development Council, what are the programmes offered by the Hong Kong Special Administrative Region Government in 2023-24 to provide properly designed arrangements according to the characteristics of different industries (such as the Chinese medicine industry and food industry) to help small and medium enterprises develop the markets in ASEAN region? What are the details of these programmes and the respective manpower and expenditure involved?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 19)

Reply:

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. To further consolidate trade relations between Hong Kong and ASEAN, the two parties signed a Free Trade Agreement and an Investment Agreement in 2018. Both Agreements came into full force in February 2021. In September 2022, the Secretary for Commerce and Economic Development (SCED) personally travelled to Cambodia to co-chair the 6th ASEAN Economic Ministers-Hong Kong, China Consultations with the Minister of Commerce of Cambodia. The parties discussed the implementation progress of the Agreements and relevant matters, while concurring to continually deepen trade and economic co-operation. SCED also took the opportunity to meet with the local business sector, promote business opportunities in Hong Kong, and visited Hong Kong enterprises with an aim to understand their operations and development, and the investment prospects of Cambodia. The next Consultation is scheduled to be held in August 2023 in Indonesia. The HKSAR Government plans to send representatives to attend the meeting. We will

continue to maintain close liaison with our ASEAN partners to create more opportunities for co-operation.

In addition, the 10 ASEAN Member States (AMS) are all Members of the Regional Comprehensive Economic Partnership (RCEP). To foster Hong Kong's participation in regional economic integration, and maintain and enhance Hong Kong's important strategic position as an international financial, trade, logistics centre, and deepen trade and economic relations between Hong Kong and the AMS, the HKSAR Government has, after RCEP came into force on 1 January 2022, promptly lodged Hong Kong's formal request to join RCEP. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive (CE) met with the leaders of Indonesia, Singapore and Thailand whereas the SCED met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade offices (ETOs) have also maintained close contact with trade ministries of RCEP member economies, especially those of the AMS, to create favourable conditions for our accession as early as possible.

The HKSAR Government has set up 3 ETOs in the ASEAN region, in Bangkok, Jakarta and Singapore respectively, with an aim to strengthen the bilateral relations between Hong Kong and the 10 AMS. The 3 ETOs maintain close liaison with local government officials, business chambers and media institutions, hold or co-organise various promotional events with other Hong Kong agencies, so as to encourage foreign capital and enterprises to leverage Hong Kong as a springboard to enter the Mainland market. In addition, the ASEAN Secretariat is located in Jakarta. Having the ETO in Jakarta facilitates the communication with the Secretariat. It will also, in conjunction with the Singapore and Bangkok ETOs, continue to enhance Hong Kong's representative network in Southeast Asia. Since their establishment, the ETOs have proactively developed closer relations with ASEAN countries. The ETOs conduct and invite individuals from local government and business sectors to attend various promotional events, such as Chinese New Year dinners, business seminars and so on, so as to promote business opportunities in Hong Kong.

The 3 ASEAN ETOs will continue to co-operate with and assist the HKSAR Government Principal Officials to visit the ASEAN countries, and devote their best efforts towards promotional work, so as to maximise the trade and economic developments between Hong Kong and ASEAN.

In terms of supporting local businesses, the Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts. Through overseas promotions, organisation of outbound missions and participation in overseas fairs, the HKTDC helps Hong Kong businesses in the product and services sectors go global and explore the ASEAN



market. For example, the HKTDC organised a business delegation led by the CE to visit Bangkok, Thailand in November 2022, bringing over 20 representatives from major chambers of commerce and various industries from Hong Kong to meet with local officials and the business community to promote Hong Kong's important role under the framework of ASEAN and RCEP. The HKTDC also organised different industry events in Indonesia and Thailand this year, including the large-scale promotion event "Building for the Future" in Indonesia in February to capture business opportunities for the infrastructure and real estate-related services sectors, and the joint event with the Department of Justice on "Resolve2Win" in Bangkok, Thailand in March to showcase Hong Kong's strength as a leading centre for international legal and dispute resolution services.

The Government provides various funding schemes to assist enterprises in exploring more diversified markets. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises (SMEs) to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements (including the ASEAN market). Further to the increase of the cumulative funding ceiling per enterprise to \$7 million in November 2022, the Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below. In addition, the SME Export Marketing Fund (EMF) provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million and has extended the special measure to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the "local market", as well as relaxing the eligibility criteria to cover non-SMEs. As at end February, over 830 applications targeting the ASEAN market had been approved under the BUD Fund, involving a funding amount of over \$521 million; over 3 150 applications targeting the ASEAN market had been approved under the EMF, involving a funding amount of over \$62.54 million.

On investment promotion, Invest Hong Kong (InvestHK) has been reaching out to a wide spectrum of companies in different sectors around the world through the teams based in Hong Kong the Dedicated Teams for Attracting Businesses and Talents in the ETOs and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting overseas and Mainland companies to set up and expand their businesses in Hong Kong. Through collaboration with relevant stakeholders, chambers of commerce, and professional bodies, etc., InvestHK will continue to roll out an array of investment promotion activities in these developing markets, including meetings, conferences, roadshows, seminars, exhibitions, etc. to proactively tell the good stories of Hong Kong and showcase the immense business opportunities brought by national strategies, including the National 14th Five-Year Plan, the GBA Development and the B&R Initiative, to the international business communities. For example, in order to encourage ASEAN companies to leverage the capital market of and list in Hong Kong, InvestHK and Hong Kong Exchanges and Clearing Limited are planning to co-host a series of promotion activities, to introduce the latest developments of the city's securities market as well as its unrivalled advantages as an international financial centre.

As the above work is a part of the overall work of the Commerce and Economic Development Bureau, the ETOs, InvestHK, HKTDC and the Trade and Industry Department, it is difficult to quantify the expenditures and manpower involved separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB061****(Question Serial No. 0694)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The HKSAR Government has a total of 14 overseas Economic and Trade Offices (ETOs). Currently, only 3 ETOs, namely Bangkok, Singapore and Jakarta ETOs, are located in the Association of Southeast Asian Nations (ASEAN) region responsible for the markets in the 10 ASEAN countries. With these and the existing Belt and Road Office, what plans does the Government have to help ASEAN investors invest in Hong Kong in 2023-24? What are the details of the plans and the respective manpower and expenditure involved?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 22)

**Reply:**

The current-term Government attaches great importance to attracting enterprises and investments to Hong Kong, and the Association of Southeast Asian Nations (ASEAN) markets are one of our key focuses. ASEAN is an energetic and vibrant market comprising 10 Member States of unique strengths and diversities and is set to play a crucial role in the Belt and Road (B&R) Initiative. Since 2010, ASEAN has become our second largest trading partner. Notwithstanding the brief downturn caused by the COVID-19 pandemic, there has been a phenomenal and continuing growth of merchandise trade between Hong Kong and ASEAN in the past decade, hitting an all-time high of some US\$160 billion in 2021, representing a 21% year-on-year growth.

Leveraging opportunities arising from the post-pandemic recovery, the Belt and Road Office will plan various activities, including overseas visits, to connect to the world, and also organise professional missions to B&R related countries and regions with a focus on emerging markets, including ASEAN. In addition, the Government will also co-organise with the Hong Kong Trade Development Council (HKTDC) the 8th Belt and Road Summit (Summit), as a highlight of the 10th anniversary of the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, and business and professional sectors to attend.

The HKSAR Government has set up 3 overseas Hong Kong Economic and Trade Offices (ETOs) in the ASEAN region, in Bangkok, Jakarta and Singapore respectively, with an aim to strengthening the bilateral relations between Hong Kong and the 10 ASEAN Member States (AMS). The 3 ETOs have maintained close contact with local officials, business chambers and media organisations, and held or co-organised promotional events with other Hong Kong agencies, to encourage foreign capital and businesses to use Hong Kong as a springboard to the Mainland market.

Moreover, the ASEAN Secretariat is located in Jakarta, and the permanent representatives of the 10 AMS are also based in Jakarta. The Jakarta ETO is in a convenient location to liaise with the ASEAN Secretariat, and work in tandem with the Singapore and Bangkok ETOs to continually strengthen Hong Kong's representative network in Southeast Asia. Ever since its establishment, the Jakarta ETO has proactively built close relationships with AMS. The Bangkok ETO held its Chinese New Year Celebration Dinner in February, hosting over 400 guests from the business sectors of Hong Kong, Singapore and Malaysia, thereby promoting business opportunities in Hong Kong. The Singapore ETOs assisted the Secretary for Labour and Welfare and the Secretary for Commerce and Economic Development to visit Singapore and Vietnam respectively in January, during which both Principal Officials told good stories of Hong Kong to local businessmen, strengthened bilateral trade and economic ties and introduced Hong Kong's new measures to attract businesses and investments. The 3 ETOs in the ASEAN region will continue to cooperate with and assist Principal Officials of the HKSAR Government to visit countries in the region, and devote their best efforts towards their promotional work, so as to maximise the trade and economic developments between Hong Kong and ASEAN.

Apart from that, Invest Hong Kong (InvestHK) has been stepping up investment promotion efforts in ASEAN. As announced in the 2022-23 Budget, InvestHK has been allocated additional recurrent funding of around \$90 million in phases starting 2022-23, for implementing proactive and forward-looking promotion strategies at key global target markets, including ASEAN. For example, InvestHK has strengthened the investment promotion network in Jakarta, Indonesia to better support the investment and expansion plans of ASEAN companies in Hong Kong.

In collaboration with relevant stakeholders, chambers of commerce and professional bodies, InvestHK will continue to roll out an array of investment promotion activities in ASEAN, including meetings, conferences, roadshows, seminars, exhibitions, etc. to proactively tell the good stories of Hong Kong and showcase the immense business opportunities brought by national strategies, including the National 14th Five-Year Plan, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and the B&R Initiative, to the international business communities. For example, in order to encourage ASEAN companies to leverage the capital market of and list in Hong Kong, InvestHK and Hong Kong Exchanges and Clearing Limited are planning to co-host a series of promotion activities, to introduce the latest developments of the city's securities market as well as its distinctive advantages as an international financial centre.

In the 2022 Policy Address, the Chief Executive announced that the Government has put in place new institutional setups and implement an array of new initiatives targeted at attracting enterprises and investment. In December 2022, the Office for Attracting Strategic

Enterprises, led by the Financial Secretary, was established for attracting strategic enterprises from the Mainland and overseas (including ASEAN) by offering them special facilitation measures and one-stop services. Dedicated Teams for Attracting Businesses and Investments (Dedicated Teams) were also set up in our ETOs, including the 3 ETOs in ASEAN <sup>Note</sup>, on the same day. In doing so, our Dedicated Teams of the ETOs in ASEAN have been proactively reaching out to high potential and representative strategic enterprises and inviting them to pursue development and opportunities in Hong Kong.

With ASEAN and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between exhibitors and buyers in RCEP markets, Mainland and Hong Kong. For outbound programmes, the HKTDC will also enhance the promotion such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.

The expenditure of various measures on ASEAN has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau, InvestHK, the HKTDC and ETOs respectively, and cannot be quantified separately.

Note: The 3 ETOs in ASEAN include Jakarta ETO, Singapore ETO and Bangkok ETO.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB062****(Question Serial No. 0695)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 115 of the Budget Speech that “Under our country’s new development pattern, we will strengthen our role as a connecting platform for international circulation between our country and the rest of the world. We will also capitalise on the dual engines of the B&R Initiative and the GBA development to facilitate commercial exchanges between the GBA and the Association of Southeast Asian Nations (ASEAN)...” and in paragraph 116 that “...we will explore and tap emerging markets such as ASEAN, the Middle East, Central Asia and Africa while maintaining ties with the European and American markets”. In 2023-24, what are the HKSAR Government’s plans to facilitate commercial exchanges between Hong Kong and ASEAN as well as expanding ASEAN markets?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 23)

Reply:

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong’s second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. To further consolidate trade relations between Hong Kong and ASEAN, the two parties signed a Free Trade Agreement and an Investment Agreement in 2018. Both Agreements came into full force in February 2021. In September 2022, the Secretary for Commerce and Economic Development (SCED) personally travelled to Cambodia to co-chair the 6th ASEAN Economic Ministers-Hong Kong, China Consultations with the Minister of Commerce of Cambodia. The parties discussed the implementation progress of the Agreements and relevant matters, while concurring to continually deepen trade and economic co-operation. SCED also took the opportunity to meet with the local business sector, promote business opportunities in Hong Kong, and visited Hong Kong enterprises with an aim to understand their operations and development, and the investment prospects of Cambodia. The next Consultation is scheduled to be held in August 2023 in Indonesia. The HKSAR Government plans to send representatives to attend the meeting. We will

continue to maintain close liaison with our ASEAN partners to create more opportunities for co-operation.

In addition, the 10 ASEAN Member States (AMS) are all Members of the Regional Comprehensive Economic Partnership (RCEP). To foster Hong Kong's participation in regional economic integration, and maintain and enhance Hong Kong's important strategic position as an international financial, trade, logistics centre, and deepen trade and economic relations between Hong Kong and the AMS, the HKSAR Government has, after RCEP came into force on 1 January 2022, promptly lodged Hong Kong's formal request to join RCEP. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive (CE) met with the leaders of Indonesia, Singapore and Thailand whereas the SCED met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade offices (ETOs) have also maintained close contact with trade ministries of RCEP member economies, especially those of the AMS, to create favourable conditions for our accession as early as possible.

The HKSAR Government has set up 3 ETOs in the ASEAN region, in Bangkok, Jakarta and Singapore respectively, with an aim to strengthen the bilateral relations between Hong Kong and the 10 AMS. The 3 ETOs maintain close liaison with local government officials, business chambers and media institutions, hold or co-organise various promotional events with other Hong Kong agencies, so as to encourage foreign capital and enterprises to leverage Hong Kong as a springboard to enter the Mainland market. In addition, the ASEAN Secretariat is located in Jakarta. Having the ETO in Jakarta facilitates the communication with the Secretariat. It will also, in conjunction with the Singapore and Bangkok ETOs, continue to enhance Hong Kong's representative network in Southeast Asia. Since their establishment, the ETOs have proactively developed closer relations with ASEAN countries. The ETOs conduct and invite individuals from local government and business sectors to attend various promotional events, such as Chinese New Year dinners, business seminars and so on, so as to promote business opportunities in Hong Kong.

The 3 ASEAN ETOs will continue to co-operate with and assist the HKSAR Government Principal Officials to visit the ASEAN countries, and devote their best efforts towards promotional work, so as to maximise the trade and economic developments between Hong Kong and ASEAN.

In terms of supporting local businesses, the Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts. Through overseas promotions, organisation of outbound missions and participation in overseas fairs, the HKTDC helps Hong Kong businesses in the product and services sectors go global and explore the ASEAN

market. For example, the HKTDC organised a business delegation led by the CE to visit Bangkok, Thailand in November 2022, bringing over 20 representatives from major chambers of commerce and various industries from Hong Kong to meet with local officials and the business community to promote Hong Kong's important role under the framework of ASEAN and RCEP. The HKTDC also organised different industry events in Indonesia and Thailand this year, including the large-scale promotion event "Building for the Future" in Indonesia in February to capture business opportunities for the infrastructure and real estate-related services sectors, and the joint event with the Department of Justice on "Resolve2Win" in Bangkok, Thailand in March to showcase Hong Kong's strength as a leading centre for international legal and dispute resolution services.

The Government provides various funding schemes to assist enterprises in exploring more diversified markets. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises (SMEs) to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements (including the ASEAN market). Further to the increase of the cumulative funding ceiling per enterprise to \$7 million in November 2022, the Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below. In addition, the SME Export Marketing Fund (EMF) provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million and has extended the special measure to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the "local market", as well as relaxing the eligibility criteria to cover non-SMEs. As at end February, over 830 applications targeting the ASEAN market had been approved under the BUD Fund, involving a funding amount of over \$521 million; over 3 150 applications targeting the ASEAN market had been approved under the EMF, involving a funding amount of over \$62.54 million.

On investment promotion, Invest Hong Kong (InvestHK) has been reaching out to a wide spectrum of companies in different sectors around the world through the teams based in Hong Kong the Dedicated Teams for Attracting Businesses and Talents in the ETOs and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting overseas and Mainland companies to set up and expand their businesses in Hong Kong. Through collaboration with relevant stakeholders, chambers of commerce, and professional bodies, etc., InvestHK will continue to roll out an array of investment promotion activities in these developing markets, including meetings, conferences, roadshows, seminars, exhibitions, etc. to proactively tell the good stories of Hong Kong and showcase the immense business opportunities brought by national strategies, including the National 14th Five-Year Plan, the GBA Development and the B&R Initiative, to the international business communities. For example, in order to encourage ASEAN companies to leverage the capital market of and list in Hong Kong, InvestHK and Hong Kong Exchanges and Clearing Limited are planning to co-host a series of promotion activities, to introduce the latest developments of the city's securities market as well as its unrivalled advantages as an international financial centre.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB063****(Question Serial No. 0702)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To further advance business expansion of Hong Kong's trading and retail industries into the Mainland, are there plans to negotiate with the Mainland on enhancing economic interaction among 11 cities in the Greater Bay Area (GBA), supporting the marketing and development of products from other GBA cities in Hong Kong, and facilitating the export of Hong Kong brand products to the Mainland, especially the GBA, in 2023-24? Do the plans include the establishment of a GBA brands promotion committee?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 30)

Reply:

The Government strives to support Hong Kong enterprises, encouraging them to enhance their competitiveness and explore more diversified markets, including capturing the opportunities brought about by the development in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). The relevant measures are as follows:

*Supporting Hong Kong People and Enterprises*

To further enhance publicity and promotion in the Mainland cities of the GBA as well as support for Hong Kong people and enterprises therein, the Hong Kong Economic and Trade Office in Guangdong of the Hong Kong Special Administrative Region (HKSAR) Government will set up the Guangdong-Hong Kong-Macao Greater Bay Area Development Promotion Centre (the Promotion Centre) to strengthen strategic co-operation with the Hong Kong Trade Development Council (HKTDC), Invest Hong Kong and relevant organisations and institutions on the Mainland and overseas. Moreover, the Promotion Centre will promote opportunities brought about by the development in the GBA and provide appropriate support and assistance when needed to Hong Kong people and enterprises in the Mainland cities of the GBA, by means of providing relevant information on the GBA and consultation services as well as organising seminars and study missions, etc.

### *Exploring the Mainland Domestic Market*

The Government endeavours to assist Hong Kong enterprises in tapping into the Mainland domestic market, taking the GBA as the best entry point to grasp the enormous business opportunities on the Mainland, including providing Hong Kong enterprises with training and policy and market consultation services through the HKTDC's "HKTDC GBA Centre" in Shenzhen and "GoGBA Business Support Centres" set up jointly with its Mainland partners. Furthermore, from 2022-23 to 2024-25, the Government provides an additional funding of \$45 million per annum to the HKTDC for implementing the "Support Scheme for Pursuing Development in the Mainland" to strengthen support for Hong Kong enterprises on the Mainland and enhance young Hong Kong entrepreneurs' understanding of the business environment and market of the Mainland to better equip them to develop the Mainland market, through organising training, exchange programmes, business missions, etc. in different provinces and cities. The HKTDC will also actively coordinate Hong Kong enterprises to participate in Mainland trade shows and organise major events on the Mainland to promote Hong Kong products and services.

### *Financial Support*

The Government provides funding schemes to assist enterprises in exploring more diversified markets. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements (including the Mainland). Further to the increase of the cumulative funding ceiling per enterprise to \$7 million in November 2022, the Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below. As at end February 2023, over 4 490 applications targeting the Mainland market had been approved, involving a funding amount of \$2.632 billion which accounts for 80% of the funding approved under the BUD Fund.

### *GBA Standards*

The Guangdong provincial government, with the support and facilitation of the HKSAR Government and the Macao Special Administrative Region Government, is striving to develop quality GBA standards for different products and commercial services for voluntary adoption by businesses. In the long run, the work on this front can promote regional harmonisation of rules in relevant sectors, facilitate interconnection and integrated development of the three places, and help establish the GBA standards as a brand.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB064**

**(Question Serial No. 0704)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Given that the development of cross-border e-commerce between Hong Kong and the Mainland is still at an initial stage, does the HKSAR Government have any plans in 2023-24 to discuss with the Mainland on expanding the categories of retail imported goods for cross-border e-commerce, setting up a certification system to facilitate the entry of overseas products and supporting major Mainland enterprises in Hong Kong to build up a large-scale e-commerce platform capable of offering one-stop services?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 32)

Reply:

The Innovation, Technology and Industry Bureau is committed to promoting the adoption of e-commerce by small and medium enterprises (SMEs) and assisting enterprises in developing digital support facilities as well as carrying out upgrade and transformation. For example, the Technology Voucher Programme funds local enterprises in using technological services and solutions which include big data and cloud-based analytics solutions, cyber security solutions, enterprise resource planning solutions, logistics management systems and e-commerce platforms, etc. They are all conducive to the development of e-commerce by SMEs.

The Hong Kong Productivity Council (HKPC) regularly organises training and activities related to information technology and e-commerce for SMEs and introduces the latest technology development and applications. HKPC has also introduced a free one-stop digital transformation solutions platform, entitled "Digital DIY Portal", that brings together digital transformation solutions, digital and innovation information and success cases of digital transformation in businesses in order to assist local SMEs in embarking on digital transformation.

In respect of the work of the Commerce and Economic Development Bureau in supporting SMEs, we provide various funding schemes to assist enterprises in enhancing their competitiveness, including using electronic channels for product promotion. Among them, the funding scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales covers the support to enterprises in developing e-commerce and integrating online-offline modes of sales and marketing, such as establishing online sales platforms, setting up online shops on third-party online sales platforms, incorporating electronic payment functions into their websites, and developing mobile applications, etc. In addition, the SME Export Marketing Fund provides funding support to local enterprises to participate in and conduct export promotion activities through electronic platforms or media.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB065****(Question Serial No. 1559)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

In order to promote the development of cross-border e-commerce with a view to consolidating and enhancing our role as an international trade centre, what are the plans of the Government in 2023-24 to help small and medium enterprises in the import and export sector move into e-commerce? Will the negotiation with the Central Government on extending the coverage of the national List of Cross-border Electronic Commerce Retail Imported Commodities be included so as to promote the access of products with Hong Kong intellectual property certification to the Mainland market?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 38)

**Reply:**

The Innovation, Technology and Industry Bureau is committed to promoting the adoption of e-commerce by small and medium enterprises (SMEs) and assisting enterprises in developing digital support facilities as well as carrying out upgrade and transformation. For example, the Technology Voucher Programme funds local enterprises in using technological services and solutions which include big data and cloud-based analytics solutions, cyber security solutions, enterprise resource planning solutions, logistics management systems and e-commerce platforms, etc. They are all conducive to the development of e-commerce by SMEs.

The Hong Kong Productivity Council (HKPC) regularly organises training and activities related to information technology and e-commerce for SMEs and introduces the latest technology development and applications. HKPC has also introduced a free one-stop digital transformation solutions platform, entitled "Digital DIY Portal", that brings together digital transformation solutions, digital and innovation information and success cases of digital transformation in businesses in order to assist local SMEs in embarking on digital transformation.

In respect of the work of the Commerce and Economic Development Bureau in supporting SMEs, we provide various funding schemes to assist enterprises in enhancing their competitiveness, including using electronic channels for product promotion. Among them, the funding scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales covers the support to enterprises in developing e-commerce and integrating online-offline modes of sales and marketing, such as establishing online sales platforms, setting up online shops on third-party online sales platforms, incorporating electronic payment functions into their websites, and developing mobile applications, etc. In addition, the SME Export Marketing Fund provides funding support to local enterprises to participate in and conduct export promotion activities through electronic platforms or media.

The Intellectual Property Department (IPD) encourages and supports the industry to engage in intellectual property (IP) trading in Hong Kong and the region through various initiatives, such as the IP Manager Scheme and related training as well as free IP consultation services. IPD will also continue to work closely with the IP authorities of the Mainland to promote IP protection, management and trading. To enhance cross-boundary co-operation on IP trading and services, IPD also plans to strengthen the IP co-operation programmes related to the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB066**

**(Question Serial No. 1201)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the subsidy scheme to extend fibre-based networks to 235 villages in remote areas, will the Government inform this Committee of the following:

1. Up to now, (a) how many villages have completed or are expected to complete network extension works in 2022-23, (b) what is the list of the villages concerned, and (c) how many residents have been benefited?
2. In 2023-24, (a) how many villages are expected to complete network extension works, (b) what is the list of the villages concerned, and (c) how many residents are to be benefited?
3. According to the document submitted to the Finance Committee of the Legislative Council in June 2018, the Bureau has created a commitment of \$774.4 million for the subsidy scheme. (a) Since its launch to the end of 2022-23, (i) what is the amount of the commitment expected to have been used; (ii) what is its difference from the estimate at the beginning? (b) What is the amount of the commitment expected to be used in 2023-24?
4. In 2023-24, (a) what is the manpower to be provided by the Bureau in supporting the implementation of the subsidy scheme, (b) what are the relevant ranks and salary expenditure?

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 17)

Reply:

In the past, the progress of work on extending telecommunications network coverage to villages in remote areas in the New Territories and outlying islands by fixed network operators (FNOs) was slow due to higher costs of network rollout and a smaller number of subscribers. To provide financial incentives, the Government launched the “Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas” (the Subsidy Scheme) since 2018, and approved all 6 tender projects in 2019 and 2020 to facilitate FNOs to extend fibre-based networks to 235 villages in remote areas.

The subsidised fibre-based networks are being extended to these 235 villages in phases from 2021 to 2026, benefitting 110 000 villagers and providing the villages concerned with high-speed broadband services. It also provides the backbone infrastructure necessary for further deploying other types of telecommunications services (such as 5G mobile and Wi-Fi services) to benefit villagers and visitors to the countryside.

In 2018, a one-off provision of \$774.4 million was approved by the Finance Committee of the Legislative Council for the above Subsidy Scheme. The Commerce and Economic Development Bureau has also earmarked a total of \$69.8 million to cover the administrative expenses incurred by the Office of the Communications Authority (OFCA) for the implementation of the Subsidy Scheme, including creation of 10 time-limited civil service posts and non-civil service contract posts. By end 2022, the Subsidy Scheme has already extended fibre-based networks in more than 120 villages, providing broadband services with a speed ranging from 200Mbps to 2Gbps. OFCA will continue to actively follow up with the extension works in the remaining villages, targeting to cover all villages with fibre-based networks by 2026.

The Government will continue to monitor the implementation progress of the Subsidy Scheme and evaluate its effectiveness in due course, so as to formulate relevant measures to further improve telecommunications services in remote areas.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB067**

**(Question Serial No. 1783)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of Hong Kong on the Belt and Road (B&R) Initiative under the programme, please advise on the following:

1. Regarding the Belt and Road Scholarships offered by the Government for outstanding students from the B&R countries to study at Hong Kong universities, please set out the number of students and the amounts involved by the types of scholarships offered in the past 5 years.
2. Regarding the subsidies provided by the Government for local students to participate in the exchange activities in the B&R countries through various schemes, please set out the number of exchange activities involved in the past 5 years with a yearly breakdown of the number and age distribution of participants, as well as the expenditures involved.
3. Has the Belt and Road Office organised, assisted or supported any exchanges, immersive or thematic activities that are related to B&R for the youths in the past 5 years? If yes, please set out the number of assistance and the specific support provided.
4. What are the work of the department and the expenditure involved for fostering the people and cultural exchanges under the B&R Initiative in the coming year? In view of the worldwide post-epidemic recovery, will the Government take any measures to encourage the participation of local students and youths in the exchange activities of the B&R countries? If so, please provide the details, the anticipated number of participants and the expenditures involved of the activities.

Asked by: Hon LEUNG Yuk-wai, Kenneth (LegCo internal reference no.: 30)

### Reply:

In the past 5 years, the Belt and Road Office had from time to time organised business and professional missions to Belt and Road (B&R) related countries, as well as various business exchange activities with participation by young entrepreneurs and professionals, which facilitated their understanding of B&R business opportunities.

Besides, according to information provided by the Education Bureau (EDB), it introduced the B&R Scholarship in the 2016/17 academic year to strengthen education collaboration with B&R related countries and regions. The B&R Scholarship was expanded since the 2019/20 academic year to cover all countries/regions along the B&R as well as research postgraduate programmes. The number of places under the B&R Scholarship has been increased to 100 per annum from the 2020/21 academic year onwards, and are grouped into the following 3 categories:

- B&R Scholarship (Designated Countries) – for students from Indonesia, Malaysia, Thailand, Myanmar (starting from the 2019/20 academic year) and Mongolia (starting from the 2022/23 academic year);
- B&R Scholarship (Other Countries) – for students from B&R countries/regions other than Indonesia, Malaysia, Thailand, Myanmar and Mongolia; and
- B&R Scholarship (Research Postgraduate) – for research postgraduate students from B&R countries/regions.

The number of awardees and the amount of scholarships awarded under the 3 categories of the B&R Scholarship in the past 5 academic years are as follows :

Categories of B&R Scholarship	Academic Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Number of awardees					
(a) Designated Countries	30	36	33	34	40
(b) Other Countries	-	20	30	41	35
(c) Research Postgraduate Programmes	-	20	25	24	25
Total	30	76	88	99	100
Amount of scholarships awarded (\$ million)					
(a) Designated Countries	8.1	10.3	15.3	15.8	19.1
(b) Other Countries	-	2.8	6.8	11.3	14.7
(c) Research Postgraduate Programmes	-	0.8	1.7	2.5	3.2
Total(\$ million)	8.1	13.9	23.8	29.6	37.0

Furthermore, the EDB subsidises post-secondary students to participate in short-term internship or learning experience in the B&R regions through the “Scheme for Subsidy on Exchange to Belt and Road Regions for Post-secondary Students (Means-tested)” and “Scheme for Subsidy on Exchange to Belt and Road Regions for Post-secondary Students

(Non-means-tested)” with a view to encouraging students to seize the new opportunities brought about by the B&R Initiative while facilitating educational exchanges between Hong Kong and the B&R regions. The 2 Schemes are implemented and administered by the participating post-secondary institutions in accordance with the operational guides issued by EDB. Funding is disbursed by EDB to the institutions in each subsidised period while the details of the exchange activities are to be arranged by the participating institutions. The expenditure and the number of beneficiaries under the 2 Schemes in the past 5 academic years are as follows:

<b>Subsidy Scheme</b>	<b>Academic Year</b>	<b>Expenditure (\$ million) <sup>Note 1</sup></b>	<b>No. of Beneficiaries <sup>Note 2</sup></b>
Scheme for Subsidy on Exchange to Belt and Road Regions for Post-secondary Students (Means-tested) <sup>Note 3</sup>	2018/19	6.7	700
	2019/20	2.3	100
	2020/21	0.3 <sup>Note 4</sup>	10
	2021/22	1.4 <sup>Note 4</sup>	70
	2022/23 <sup>Note 5</sup>	15.8 <sup>Note 4</sup>	100
Scheme for Subsidy on Exchange to Belt and Road Regions for Post-secondary Students (Non-means-tested) <sup>Note 6</sup>	2018/19	Not applicable	Not applicable
	2019/20	3.1	500
	2020/21	0.3 <sup>Note 4</sup>	40
	2021/22	1.9 <sup>Note 4</sup>	300
	2022/23 <sup>Note 5</sup>	17.9 <sup>Note 4</sup>	600

Note 1: Manpower resources for the provision of the above schemes are subsumed under the recurrent expenditure of EDB.

Note 2: Rounded to the nearest 100 or 10.

Note 3: Known before September 2019 as the “Scheme for Subsidy on Exchange to Belt and Road Regions for Post-secondary Students”.

Note 4: With the suspension of exchange activities by institutions due to the COVID-19 pandemic, there was a drop in the number of post-secondary students participating in exchange programmes and expenditure in the 2020/21 and 2021/22 academic years. With the relaxation of immigration and pandemic prevention measures worldwide, EDB has earmarked funding under the respective schemes to encourage institutions’ full resumption of exchange activities.

Note 5: Provisional figures.

Note 6: To encourage more students to go on exchange in the B&R regions, EDB expanded the subsidy coverage and introduced the “Scheme for Subsidy on Exchange to Belt and Road Regions for Post-secondary Students (Non-means-tested)” in September 2019.

On the other hand, according to information provided by the Home and Youth Affairs Bureau (HYAB), the HYAB and the Youth Development Commission (YDC) provide young people of different ages with overseas exchange opportunities (including the B&R regions) through the “Funding Scheme for International Youth Exchange” and the international youth exchange activities under the “YDC Youth Ambassadors Programme”. The objective is to broaden young people’s horizons, deepen their understanding of different cultures and foster their exchanges with people from all over the world.

Under the “Funding Scheme for International Youth Exchange” (targeting youths aged between 12 and 35), there were 10 exchange projects held in the B&R regions in 2018-19, benefiting about 250 young people with an expenditure of about \$1.9 million. In 2019-20, there were 29 exchange projects held in the B&R regions, benefiting about 700 young people with an expenditure of about \$7.5 million. Due to the pandemic, the Scheme was suspended for 3 years from 2020-21 to 2022-23.

As for the “YDC Youth Ambassadors Programme” (targeting youths aged between 18 and 30), no international youth exchange activity was held in the B&R regions in 2018-19. In 2019-20, the HYAB sponsored a total of 43 young people to undertake exchange activities in the B&R regions, involving an expenditure of about \$1.5 million. Due to the pandemic, the activities were suspended for 2 years from 2020-21 to 2021-22.

With the resumption of normal travel between Hong Kong and other places, the HYAB is resuming youth exchange activities outside Hong Kong in a gradual and orderly manner, which include the following:

- In 2022-23, the HYAB sponsored 11 Youth Ambassadors to visit Singapore for exchange activities with Singapore’s youths in February this year, with an expenditure of about \$240,000. The HYAB will continue to work closely with various overseas partners (including the B&R regions) to arrange bilateral or one-way youth exchange activities on a reciprocal basis. In 2023-24, the estimated number of beneficiaries is about 100 (including young people from the overseas partner countries) and the estimated expenditure is about \$1.5 million; and
- The HYAB has launched a new round of the “Funding Scheme for International Youth Exchange” jointly with the YDC to provide Hong Kong young people with overseas exchange opportunities (including the B&R regions). Exchange projects organised by the funded organisations under the Scheme may include outbound visits as well as bilateral or multilateral activities, and must be theme-based in order to provide in-depth international exchange opportunities for young people. The HYAB also encourages applicant organisations to organise exchange activities or complementary activities which help promote the understanding of the B&R Initiative among Hong Kong’s young people. In 2023-24, the estimated number of beneficiaries under the “Funding Scheme for International Youth Exchange” (including the B&R regions and other countries) is about 1 000, and the estimated expenditure is about \$12 million.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB068**

**(Question Serial No. 3142)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On the continued collaboration with the Mainland authorities and the Hong Kong Trade Development Council (HKTDC) to help Hong Kong enterprises promote their products and services to the Mainland market, will the Government inform this Committee of the following:

1. Please provide the details, progress, expenditure and staff establishment involved for expanding the “GoGBA Hong Kong Business Support Centres” network to cover all 9 mainland cities in the Greater Bay Area.
2. As mentioned in the Youth Development Blueprint, the Government will, under the “Support Scheme for Pursuing Development in the Mainland”, enhance support for young Hong Kong entrepreneurs in the Mainland. Regarding the activities specifically targeted at young Hong Kong entrepreneurs organised by the HKTDC, please provide the details, nature of the activities, districts, number of participants, expenditure and staff establishment involved.
3. Will the Government provide funding support to business associations of Hong Kong young people in the Mainland to provide one-stop start-up support to young Hong Kong entrepreneurs pursuing development in the Mainland, including start-up guidance and consultation, networking and solutions to financial and legal problems? If so, what are the details? If not, what are the reasons?

Asked by: Hon LEUNG Yuk-wai, Kenneth (LegCo internal reference no.: 51)

Reply:

The Hong Kong Trade Development Council (HKTDC) has established “GoGBA Business Support Centres” with its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan to assist Hong Kong enterprises in starting and developing businesses in the

Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and will continue to look for suitable partners to set up “GoGBA Business Support Centres” in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises.

The HKTDC, in collaboration with relevant Mainland organisations (including government departments, business associations, and youth and start-up organisations, etc.) and having regard to the situation and needs of Hong Kong enterprises on the Mainland, implements the Support Scheme for Pursuing Development in the Mainland (the Scheme) to help Hong Kong young entrepreneurs and businessmen on the Mainland understand the latest Mainland policies and measures, and grasp the market opportunities in different Mainland locations and industries with a view to aligning with the national development strategy and further developing businesses.

The Scheme covers different areas on the Mainland, with more emphasis putting on the GBA. At the early stage, the Scheme is implemented in Mainland cities with more Hong Kong businesses operating (such as Beijing, Shanghai, Guangzhou and Shenzhen), and will give more focus to the key places under the national development strategy (such as Chengdu, Chongqing and Wuhan) later.

Starting from mid-2022, the HKTDC has been working in an online-offline hybrid mode in organising various activities, with a view to minimising the impact of anti-epidemic measures and serving more Hong Kong enterprises. With the relaxation of the Mainland’s anti-epidemic restrictions in early December 2022, more offline activities could be organised. Up to January 2023, the HKTDC has organised more than 100 events of different types, in which more than 9 400 business representatives participated. The formats of these events include introduction and briefing of the current policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc. From 2022-23 to 2024-25, the HKTDC plans to organise various types of activities every year across different Mainland provinces and cities for Hong Kong young entrepreneurs on the Mainland. A total of 60 events are expected to take place for approximately 1 200 participants over the three years.

From 2022-23 to 2024-25, the Commerce and Economic Development Bureau provides an additional funding of \$45 million per annum (i.e. a total of \$135 million) to the HKTDC for implementing the Scheme. Apart from the additional provision for the Scheme, the expenditure and manpower for the above work have been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

Looking ahead, the HKTDC will continue to support young people through this Scheme and other platforms, including organising exchange sessions, seminars and matching activities on the Mainland in partnership with various youth organisations and relevant government agencies. The HKTDC will also include employment information in the GoGBA mobile app and website, so that Hong Kong’s young people can better understand the employment situation in the GBA to explore their career development. The Government will also continue to assist enterprises in developing the Mainland domestic sales market through various funding schemes such as the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB069**

**(Question Serial No. 0874)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2023-24 that the Government will step up promotional and publicity efforts in publicising Hong Kong's role and achievements in the Belt and Road (B&R) Initiative with a view to enhancing the community's understanding and support. In this connection, please inform this Committee of whether any special promotion activities will be held as this year marks the 10th anniversary of the B&R Initiative. If yes, what are the details, manpower and estimated expenditure of the activities; if not, what are the reasons?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 1)

Reply:

This year marks the 10th anniversary of the Belt and Road (B&R) Initiative. The Government will co-organise the 8th Belt and Road Summit (Summit) as a highlight with the Hong Kong Trade Development Council (HKTDC). We will align with the planning of relevant Mainland authorities, and actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, and business and professional sectors, and will underline the opportunities availed to Hong Kong by the Middle East markets by building on the outcome of the Chief Executive's visit to the Middle East in February this year.

Moreover, the Commerce and Economic Development Bureau (CEDB) will leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp B&R business opportunities. Such include the planning of a business mission for B&R related enterprises based in Hong Kong to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance their understanding of the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as "facilitator" in our country's international circulation. We will also

organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the Association of Southeast Asian Nations and the Middle East, etc. The CEDB will also discuss with the Ministry of Commerce on jointly organising Mainland and Hong Kong enterprises and professional services to “go global” together again with a view to promoting our professional services. Furthermore, the CEDB is planning a series of business exchanges and interface activities and producing television short clips and publication(s), etc., on cases and experience sharing so as to enhance community understanding of the B&R Initiative.

The total estimated expenditure of the Belt and Road Office in 2023-24 is about \$37.44 million. The expenditure of various measures has been subsumed under the overall estimated expenditure, and cannot be quantified separately.

In addition, to further assist Hong Kong enterprises and investors in opening up markets, the CEDB will provide additional funding of \$550 million in total to the HKTDC in the five financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets as well as stepping up our global promotional efforts.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB070****(Question Serial No. 1051)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Matters Requiring Special Attention that the Bureau will work actively with the Communications Authority, the Office of the Communications Authority and relevant departments to support the development of fifth generation mobile (5G) networks and applications. In this connection, please inform this Committee of the following:

- (a) Since the launch of 5G networks in April 2020, what measures have been implemented in this regard over the past 2 years, and what results have been achieved?
- (b) What are the resources and manpower estimated to be allocated in this regard in 2023-24?
- (c) What is the current coverage of 5G networks in Hong Kong; whether the Bureau has formulated any specific plans to support the development of 5G network coverage; if yes, the details; if not, the reasons for that.

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 34)

Reply:

Mobile network operators (MNOs) in Hong Kong launched commercial 5G services in April 2020. At present, 5G network coverage in Hong Kong has covered more than 90% of the population, covering major locations in the urban areas and all 98 stations along the Mass Transit Railway lines. The coverage in core business areas for some MNOs has even reached 99%. As of November of last year, the number of 5G users reached almost 4.4 million, representing about 60% of the population.

We will continue to implement a series of measures, including opening up 1 500 government premises to facilitate installation of radio base stations for the MNOs, making available suitable spectrum timely to suit market needs, with a view to promoting 5G development. We have also launched a subsidy scheme to encourage fixed network operators (FNOs)

through provision of financial incentives to extend fibre-based networks to a total of 235 villages in remote areas, providing 110 000 villagers with higher Internet access speed and more stable broadband services. Subsidised FNOs are taking forward the network extension works in an orderly manner. Fibre-based networks have already reached more than 120 villages, providing broadband services with a speed ranging from 200Mbps to 2Gbps. The Office of the Communications Authority will continue to actively follow up with the extension works in the remaining villages, targeting to cover all villages with fibre-based networks by 2026.

In addition, the Subsidy Scheme for Encouraging Early Deployment of 5G (the Scheme) was rolled out in May 2020 under the second round of the Anti-epidemic Fund to encourage early deployment of 5G technology to improve operational efficiency and service quality. The Scheme has been well received. The Scheme has approved around 170 applications involving more than \$76 million and has successfully facilitated various sectors to apply 5G technology and adopt innovative 5G solutions. The approved projects cover different sectors and industries including medical, education, construction, engineering, transportation, property and facilities management, logistics, etc..

To further enhance the 5G network coverage, the Government plans to amend the Telecommunications Ordinance (Cap. 106) and relevant guidelines to ensure that appropriate space is made available in new buildings for installation of mobile communications facilities by telecommunications operators, with a view to expanding 5G networks in preparation for future development of more advanced mobile communications technology. We are in the course of consulting relevant stakeholders including the MNOs, developers and industry bodies on concrete details and arrangements for taking forward the aforementioned proposal. They are invited to provide professional views on the proposal. We aim to introduce the relevant amendment bill into the Legislative Council within this year. The relevant workload will be absorbed by existing manpower and resources.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB071**

**(Question Serial No. 0060)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for 2023-24 under Programme (2) Commerce and Industry of the Commerce and Economic Development Bureau is 96.3% higher than the revised estimate for 2022-23 (\$278.3 million). This is mainly due to the increase in cash flow requirement for the Incentive Scheme for Recurrent Exhibitions. Besides, there will be a net decrease of 4 posts in 2023-24. Will the Government inform this Committee of the details of the increase in the expenditure, including the implementation details and timetable of the Incentive Scheme for Recurrent Exhibitions, as well as the expected outcomes for promoting the convention and exhibition industry in Hong Kong?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 16)

Reply:

The 2023-24 estimate under Programme (2) Commerce and Industry is \$278.3 million (96.3%) higher than the 2022-23 revised estimate, mainly due to the increased cash flow requirement of about \$200 million for the Incentive Scheme for Recurrent Exhibitions. The remaining increase of about \$70 million is related to personal emoluments (including expenses arising from filling of vacant posts, staff changes and pay adjustments) as well as departmental operating expenses.

To support the recovery of the convention and exhibition (C&E) industry, maintain the competitiveness of Hong Kong's C&E industry, as well as consolidate and enhance Hong Kong's status as an international trade centre and C&E hub, the Government will launch the \$1.4-billion Incentive Scheme for Recurrent Exhibitions on 1 July 2023 for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentive. We expect that the Scheme will provide incentives to over 200 exhibitions.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB072****(Question Serial No. 0066)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the matters that require the special attention of the Commerce and Economic Development Bureau in 2023-24 is to “continue to collaborate with the Mainland authorities and HKTDC to help Hong Kong enterprises promote their products and services to the Mainland market, including through the further expansion of the ‘GoGBA Business Support Centre’ network to cover all nine Mainland cities of the Greater Bay Area”. Please inform this Committee of the expenditure on such work in the past year. What initiatives were implemented? How effective were they? Please provide a breakdown of the details. In 2023-24, what new plans does the Administration have to promote the products and services of Hong Kong to the Mainland market? What will be done to strengthen the promotion after the epidemic? What are the specific plans? What are the expenditure and implementation timetable involved?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 9)

Reply:

The Hong Kong Trade Development Council (HKTDC) launched the “GoGBA one-stop platform” in June 2021 to provide important economic and trade information about the cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and help Hong Kong enterprises build network and promote business opportunities in the GBA. Among others, the GoGBA mobile app, website and e-newsletter have recorded a total of more than 700 000 views thus far which provide business policies and practical information about the GBA as well as diversified cross-boundary business travel tools. The HKTDC has also launched the Go-to Guides series to provide concise information to help Hong Kong enterprises understand more easily the business environment of the Mainland cities of the GBA.

In addition, the “GoGBA one-stop platform” also features physical services. The “HKTDC GBA Centre” established by the HKTDC in Shenzhen strives to provide local promotional support, consultations, training and business matching services, etc. while “GoGBA Business

Support Centres” established by the HKTDC and its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan, together with the HKTDC’s office in Guangzhou and SME Centre in Hong Kong, assist Hong Kong enterprises in starting and developing businesses in the GBA.

In 2022-23, amidst the epidemic, the HKTDC organised over 90 events targeting the GBA market in Hong Kong, Guangzhou and Shenzhen, etc., including online and offline consultations, training and seminars, etc., serving more than 5 000 Hong Kong businessmen.

Furthermore, the HKTDC encourages young people to seek business opportunities in the GBA and assists Hong Kong and foreign small and medium enterprises in exploring the GBA market. For instance, the HKTDC assisted enterprises in exhibiting and selling their products as well as using social media promotion to increase their brands’ exposure and popularity on the Mainland. In addition, the HKTDC arranged matching between enterprises, or meetings between enterprises and Mainland industry organisations to explore room for cooperation.

In 2023-24, the HKTDC will continue to assist Hong Kong enterprises in grasping opportunities in the Mainland market and to strengthen post-epidemic promotion, including looking for suitable partners to set up “GoGBA Business Support Centres” in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises. The HKTDC will also organise business delegations and events for Hong Kong businessmen and young people to visit different GBA cities and network with the trade, so as to understand the local environment, seek business opportunities or understand the employment situation.

The HKTDC will also organise flagship events during the Guangdong-Hong Kong Cooperation Week in May 2023, including SmartHK in Guangzhou to promote Hong Kong’s technology, professional services and creative industries, and Chic HK in Shenzhen to promote Hong Kong’s product design and brands.

Meanwhile, the HKTDC will introduce elements related to the GBA in its international industry exhibitions, conferences and outreach activities to highlight the overall advantages of Hong Kong and the GBA, such as through the International Healthcare Week, Asian Financial Forum, Asian Logistics, Maritime and Aviation Conference, InnoEX and other major events to promote the advantages of Hong Kong and the GBA in medical health, finance, shipping logistics and technological innovation to the international market.

The HKTDC, in collaboration with relevant Mainland organisations (including government departments, business associations, and youth and start-up organisations, etc.) and having regard to the situation and needs of Hong Kong enterprises on the Mainland, implements the Support Scheme for Pursuing Development in the Mainland to help Hong Kong enterprises on the Mainland understand the latest Mainland policies and measures, and grasp the market opportunities in different Mainland locations and industries with a view to aligning with the national development strategy and further developing businesses. In 2023-24, the HKTDC will continue to organise different types of activities under the Scheme, including organising cross-province or cross-region missions and arranging matching with local officials and Mainland enterprises, etc. to allow Hong Kong enterprises on the Mainland to better

understand relevant business policies and market trends, and to help them establish new business connections.

The expenditure for the above work has been subsumed under the overall estimated expenditure of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB073****(Question Serial No. 0075)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 118 of the Budget Speech that “to further assist Hong Kong enterprises and investors in opening up markets, the Government will provide additional funding of \$550 million in total to the HKTDC in the five financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets as well as stepping up our global promotional efforts.” Please inform this Committee of the details of expenditure and specific plans with regard to the funding, and expected results in the future.

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 7)

Reply:

The Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts.

Since the launch of the B&R Initiative, the HKTDC has been actively building Hong Kong as an international business platform for the Initiative. Through organising large-scale international conferences, delegations, publicity and outreach activities through its global network of 50 offices, the HKTDC has facilitated cooperation between Mainland and Hong Kong enterprises, investors, professional service teams and project owners in countries along the B&R. This year marks the 10th anniversary of the B&R Initiative, the Government and the HKTDC will continue to co-organise the annual B&R Summit to actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will be enriched to highlight achievements of the Initiative over the past 10 years. The HKTDC

will also organise business missions to B&R economies and conduct more related market research to help Hong Kong enterprises keep abreast of the latest developments of the Initiative and explore new opportunities.

To further promote the business opportunities of the GBA and Hong Kong's role in its development, the HKTDC's GoGBA programme will be strengthened with additional "GoGBA Business Support Centres" planned in Huizhou, Jiangmen and Zhaoqing in the next few years to increase support across the GBA's 9 core cities. In addition, the HKTDC will hold business networking activities in different GBA cities and step up publicity efforts to increase the public's understanding of the GBA development.

With the Association of Southeast Asian Nations (ASEAN) and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance promotion efforts such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB074****(Question Serial No. 0072)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

According to Programme (2), in the coming year, the Commerce and Economic Development Bureau will continue to collaborate with the Mainland authorities and the Hong Kong Trade Development Council (HKTDC) to help Hong Kong enterprises promote their products and services to the Mainland market, including through the further expansion of the “GoGBA Business Support Centre” network to cover all 9 Mainland cities of the Greater Bay Area. What are the details of the expansion plan? For example, when are the additional centres expected to open? What are the locations and opening time of the new centres? Will the Government input additional resources for the HKTDC and more official and business support organisations to set up offices in the Greater Bay Area cities? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 1)

**Reply:**

The “HKTDC GBA Centre” established by the Hong Kong Trade Development Council (HKTDC) in Shenzhen strives to provide local promotional support, consultations, training and business matching services, etc. while “GoGBA Business Support Centres” established by the HKTDC and its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan, together with the HKTDC’s office in Guangzhou and SME Centre in Hong Kong, assist Hong Kong enterprises in starting and developing businesses in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). The opening hours of the above service points follow the office hours of the HKTDC (i.e. 9 am to 6 pm) or the opening hours of the partners.

The HKTDC will continue to look for suitable partners to set up “GoGBA Business Support Centres” in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises.

In addition, to further enhance publicity and promotion in the Mainland cities of the GBA as well as support for Hong Kong people and enterprises therein, the Hong Kong Economic and Trade Office in Guangdong of the Hong Kong Special Administrative Region (HKSAR) Government will set up the Guangdong-Hong Kong-Macao Greater Bay Area Development Promotion Centre (the Promotion Centre) to strengthen strategic co-operation with the HKTDC, Invest Hong Kong and relevant organisations and institutions on the Mainland and overseas. Moreover, the Promotion Centre will promote opportunities brought about by the development in the GBA and provide appropriate support and assistance when needed to Hong Kong people and enterprises in the Mainland cities of the GBA, by means of providing relevant information on the GBA and consultation services as well as organising seminars and study missions, etc.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB075****(Question Serial No. 0074)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme (2), the Commerce and Economic Development Bureau will continue to plan for new convention and exhibition (C&E) facilities in the coming year to maintain and consolidate the international status of Hong Kong's C&E industry. The Government plans to demolish and redevelop the 3 government towers in Wan Chai North into C&E facilities and expand the AsiaWorld-Expo (AWE) for that purpose, and the relocation of the 3 government towers in Wan Chai North and the Kong Wan Fire Station is expected to be completed in 2026. What is the latest progress of the relocation? Will the expected target be met? The land for the expansion of AWE is currently being occupied by the North Lantau Hospital Hong Kong Infection Control Centre (HKICC). Will the Government relocate the HKICC to another suitable site to commence the expansion of AWE as soon as possible? If so, what are the details? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 2)

Reply:

The Government is proceeding with the expansion of convention and exhibition (C&E) facilities in Wan Chai North and on the airport island.

In Wan Chai North, we will redevelop the sites of the 3 government towers and Kong Wan Fire Station into C&E facilities, hotel and grade A offices, providing an estimated additional rentable C&E space of over 30 000 square metres. We have consulted the Wan Chai District Council and Harbourfront Commission on the project and obtained their support. We have commenced the relevant statutory town planning procedure, and will initiate the road gazettal procedure in due course. The Government anticipates that the construction works of all the replacement building projects under the Wan Chai Government Offices Compound relocation exercise will be completed by 2026, while the reprovisioning of Kong Wan Fire Station will be completed by 2027. These progresses are in line with the expected targets.

The North Lantau Hospital Hong Kong Infection Control Centre constructed under Central Government's support has been assisting in the treatment of COVID-19 patients since its commencement of service in early 2021, playing an important role under the multi-tiered triage and treatment strategy in Hong Kong. The facility is still in operation. Depending on the actual situation, the Airport Authority will commence AsiaWorld-Expo expansion works as soon as possible, in order to substantially increase the rentable C&E space by 50% to 100 000 square metres, as well as to provide a multi-purpose indoor arena with a seating capacity of over 20 000 people.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB076****(Question Serial No. 0076)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

According to Programme (2), the Commerce and Economic Development Bureau will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the enhanced Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to support Hong Kong enterprises in the coming year. Will the Government consider extending the geographical scope of the BUD Fund by removing the geographical limitation completely? If yes, what are the details? If no, what are the reasons? It is noted that the Government is going to launch "BUD Easy" to expedite the processing of applications. To what extent is the processing time for each application expected to be expedited on average? What are the manpower responsible for and the expenditure involved in processing applications in the coming year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 3)

**Reply:**

The Government has launched several rounds of enhancements to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) since August 2018, with a view to strengthening support to Hong Kong enterprises in developing more diversified markets and enhancing competitiveness, including injecting funding, extending the geographical coverage and increasing the cumulative funding ceiling per enterprise. The geographical coverage of the BUD Fund currently comprises 37 economies with which Hong Kong has signed Free Trade Agreements (FTAs) and/or Investment Promotion and Protection Agreements (IPPAs), including the Mainland and many major overseas markets of Hong Kong enterprises. The geographical coverage of the BUD Fund will be further extended as Hong Kong signs more FTAs or IPPAs in future.

The Financial Secretary announced in the 2023-24 Budget to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below. The performance pledge is to complete the processing within 30 working days, which is significantly reduced by half as compared with the 60-working-day pledge for general applications of the BUD Fund.

The estimated expenditure of the BUD Fund in 2023-24 is \$975 million, including manpower and other fees provided to the Hong Kong Productivity Council for operating the BUD Fund as well as disbursements to grantees. The manpower expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department to implement the BUD Fund has been subsumed under the respective overall establishment and estimated expenditure, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB077****(Question Serial No. 0077)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

According to Programme (2), the Commerce and Economic Development Bureau will continue to support the convention and exhibition industry through the Convention and Exhibition Industry Subsidy Scheme in the coming year. The Scheme, which will be concluded at the end of June 2023, still has a balance of about \$500 million. Will the Government further extend the validity of the Scheme and continue to subsidise exhibitors to cover their participation fees and private organisers of international conventions until the balance is exhausted? If so, what are the details? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 4)

**Reply:**

The Government launched the Convention and Exhibition Industry Subsidy Scheme in October 2020 with a total commitment of \$1,070 million to reinvigorate the convention and exhibition (C&E) industry. As at 28 February 2023, the Scheme provided a total subsidy of about \$648 million to 236 exhibitions. In addition, the Government allocated about \$41 million of the Scheme's funding in the fourth quarter of 2021 to provide a one-off immediate relief to private organisers of 73 exhibitions to help them cope with the impact of the prolonged postponement or cancellation of exhibitions under the pandemic.

As at 28 February 2023, the Scheme has a balance of some \$381 million and will continue to support the C&E industry until 30 June 2023. Thereafter, the Government will launch the \$1.4-billion Incentive Scheme for Recurrent Exhibitions on 1 July for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. It is expected to provide incentives to over 200 exhibitions.

As the pandemic situation eases, we are pleased to see the gradual resumption of C&E activities. We will continue to closely monitor the utilisation of the funding of the Scheme and the needs of the industry, and provide appropriate support.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB078****(Question Serial No. 0078)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

According to Programme 2, the Commerce and Economic Development Bureau (CEDB) will launch the "Incentive Scheme for Recurrent Exhibitions" in the coming financial year to support the convention and exhibition industry. Recurrent international exhibitions will receive an incentive equivalent to 100% of the venue rental, while other recurrent exhibitions will receive an incentive equivalent to 50% of the venue rental. The Scheme will only be applicable to recurrent exhibitions held at the Hong Kong Convention and Exhibition Centre (HKCEC) or AsiaWorld-Expo (AWE). Will the Government consider expanding the scope of the new initiative to cover recurrent exhibitions held at venues other than HKCEC and AWE? If yes, what are the details? If no, what are the reasons? What are the manpower and expenditures involved in processing applications for the Scheme in the coming year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 5)

**Reply:**

To support the recovery of convention and exhibition (C&E) industry, maintain the competitiveness of Hong Kong's C&E industry, as well as consolidate and enhance Hong Kong's status as an international trade centre and C&E hub, the Government will launch the \$1.4-billion Incentive Scheme for Recurrent Exhibitions on 1 July 2023 for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. The Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo are the two publicly-owned dedicated C&E venues in Hong Kong, which are the main venue for large-scale international C&E activities and before the pandemic together hosted over 160 exhibitions every year. We consider that the new scheme should continue to focus on supporting the events held in these two venues.

The workload of the above scheme have been subsumed under the staff establishment and overall estimated expenditure of the Commerce and Economic Development Bureau, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB079****(Question Serial No. 0079)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

Under Programme (2), the Commerce and Economic Development Bureau will continue to step up promotion of government funding schemes in the coming year, with a view to enhancing their utilisation. For the stepped-up promotion, what are the details of the publicity work, manpower and expenditure involved? Will more resources be allocated to enhance the small and medium enterprises' awareness of the government funding schemes? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 7)

**Reply:**

The Government established "SME ReachOut" in January 2020 to help small and medium enterprises (SMEs) identify suitable government funding schemes and answer questions relating to applications. The Financial Secretary announced in the 2023-24 Budget to allocate \$100 million to enhance the services of "SME ReachOut" in the next 5 years. Specifically, starting from October 2023, the Government will allocate funding to the Hong Kong Productivity Council (HKPC) to gradually step up the services of "SME ReachOut", including arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, and increasing the publicity in social media so as to step up the promotion of government funding schemes. At the same time, more one-on-one consultation sessions will be provided to assist SMEs in applying for government funding and building their capacities, and enhancing their competitiveness through leveraging new technologies.

In addition, the Government will continue to provide "four-in-one" integrated services through the four SME centres fully consolidated (i.e. the Support and Consultation Centre for SMEs of the Trade and Industry Department, the SME Centre of the Hong Kong Trade Development Council, SME One of HKPC and TecONE of the Hong Kong Science and Technology Parks Corporation), so that SMEs can obtain the necessary information on all

funding schemes at any service point. The Government has also set up a web portal entitled the “SME Link” to facilitate SMEs’ access to comprehensive information, including that on government funding schemes and support services, as well as on Mainland and overseas markets.

The estimated expenditure of “SME ReachOut” to be borne by the Government in 2023-24 is about \$15.3 million. The expenditure of the four SME centres has been subsumed under the overall expenditure of the concerned department/organisations, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB080****(Question Serial No. 0128)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme 2, the Commerce and Economic Development Bureau (CEDB) will continue to introduce diversified measures in the coming year to maintain and consolidate the international status of Hong Kong's convention and exhibition industry. In 2014, the Government commissioned a consultancy study, which took into account the situation in Hong Kong and the global and regional developments of the convention and exhibition industry. Now that 9 years have passed, will the Government commission another consultancy study to more accurately assess the future demand for convention and exhibition facilities in Hong Kong, taking into account the latest global and local situation? If yes, what are the details, including the manpower and expenditures involved? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 18)

Reply:

In the past 3 years, the pandemic has brought challenges to the convention and exhibition (C&E) industry, with many events postponed or cancelled. With the easing of the pandemic, we are pleased to note the gradual recovery of the C&E industry, but the industry generally believes that time is needed for the business to return to pre-pandemic level. While there are insufficient data to accurately assess the real demands for C&E facilities at this stage, we believe there are definite demands for C&E facilities in the long run. As such, the Government is proceeding with the Wan Chai North Redevelopment, redeveloping the sites of the 3 government towers in Wan Chai North and Kong Wan Fire Station into C&E facilities, hotel and grade A offices; while the Airport Authority will also expand the AsiaWorld-Expo. The two projects will increase C&E space by 40% to approximately 220 000 square metres.

The Government will continue to closely monitor the recovery and development of the C&E industry, and maintain communication with the industry regarding the demands for C&E facilities.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB081****(Question Serial No. 0133)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme 6, the Hong Kong Trade Development Council (HKTDC) plans to organise 704 trade and services promotion events and 35 local fairs. Both figures represent only a slight growth over 2021 and 2022. However, Hong Kong was stricken with the epidemic in 2021 and 2022, and many of these events and fairs had to be cancelled. Besides, it is mentioned in this year's Budget Speech that an additional funding of \$550 million will be provided to help Hong Kong enterprises tap into emerging markets and to step up our global promotional efforts. As such, does the HKTDC consider the estimate too conservative? Will there be a more aggressive estimate? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 23)

Reply:

In the past 3 years, although some of the physical events were postponed or cancelled due to the pandemic, the Hong Kong Trade Development Council (HKTDC) continued to help Hong Kong enterprises expand their businesses through a diverse range of physical and online international exhibitions, conferences and support events. During this time, the HKTDC actively enhanced its exhibition platform by launching the new exhibition model "EXHIBITION+", which integrates online and offline trade fairs and sourcing platform to help the industry capture business opportunities around the clock. The HKTDC also consolidated some of its exhibitions and enriched these events with activities and business matching to enhance sector synergies and respond to market trends.

The Government will provide additional funding totalling \$550 million to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development and tap into emerging markets, as well as to step up global promotional efforts. The HKTDC will organise over 30 major trade fairs and conferences in Hong Kong this year, and implement a series of

overseas promotional programmes to help Hong Kong enterprises seize post-pandemic opportunities.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB082****(Question Serial No. 0152)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

According to Programme (2), the Commerce and Economic Development Bureau will continue to oversee efforts to promote awareness of and respect for intellectual property (IP) rights in the community and the business sector in the coming year and will provide IP training to 5 000 personnel across different industries within the current-term of the Government. What is the number of personnel trained this year so far by occupation? What are the manpower and expenditure involved? What are the estimated number of personnel to be trained in the coming year and the estimated manpower and expenditure to be involved for such work?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 6)

**Reply:**

The 2022 Policy Address has announced that the Government will further develop Hong Kong into a regional intellectual property (IP) trading centre from 3 aspects in the short, medium and long term, namely strengthening protection of IP rights, building capacity and promoting widely.

On capacity building, the Intellectual Property Department (IPD) launched the IP Manager Scheme for small and medium enterprises in May 2015 with a view to enhancing their IP manpower capacity and boosting competitiveness through IP management and commercialisation. To meet the development needs of the enterprises, the IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops. Up to February 2023 in the 2022-23 financial year, 1 618 participants from different sectors, including science and technology, legal services, IP service providers, academia, manufacturing, business services, accounting, financing, insurance, real estate, import and export trading, etc., had taken part in such training. The IPD will continue to enhance the above Scheme and training courses to

provide IP training to different sectors. It is expected that the training courses and practical workshops will continue to attract more than 1 000 participants in the 2023-24 financial year.

The above initiatives are implemented as part of IPD's regular work and will continue to be carried out with existing resources. It is therefore difficult to quantify the resources involved separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB083****(Question Serial No. 0650)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in paragraph 116 of the Budget Speech, to further integrate into the overall development of our country in order to create strong impetus for our growth, the Government needs to open up the Mainland domestic market internally, and also expand its international economic and trade networks externally. In doing so, the Government can play its roles as a “participant” in domestic circulation and a “facilitator” in international circulation. In support of the Belt and Road Initiative, the Government will explore and tap emerging markets such as ASEAN, the Middle East, Central Asia and Africa while maintaining ties with the European and American markets. In this regard, will the Government inform this Committee of the details about the work plan with a breakdown of estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 17)

Reply:

With Hong Kong's advantage in enjoying strong support of the Motherland while also being closely connected to the rest of the world, we always strive to strengthen our trade and economic relations with other economies and serve as the facilitator of external circulation, so as to further enhance our position as an international trade centre. In particular, we are proactively seeking to sign Free Trade Agreements (FTAs) and Investment Promotion and Protection Agreements (IPPAs) with more trading partners, with developing economies as our priority. So far, Hong Kong has signed 8 FTAs with 20 economies<sup>Note 1</sup> and 22 IPPAs with 31 economies<sup>Note 2</sup>, covering most of our major trading partners. Hong Kong is now negotiating an FTA with Peru and will commence IPPA negotiations with Saudi Arabia.

On promoting free trade, the Regional Comprehensive Economic Partnership (RCEP) is an important milestone in regional economic integration. To facilitate our participation in regional integration and to sustain and enhance our crucial strategic position as an international finance, trade and logistics centre, the HKSAR Government has, after RCEP came into force on 1 January 2022, promptly lodged Hong Kong's formal request to join

RCEP. At the 6th Association of Southeast Asian Nations (ASEAN) Economic Ministers - Hong Kong, China Consultation meeting held in Cambodia in September 2022, we received the positive responses from the ASEAN trade ministers, welcoming the readiness of Hong Kong to commence substantive dialogue with RCEP members. At the APEC Economic Leaders' Meeting in Bangkok and related meetings in November 2022, the Chief Executive met with leaders from various countries to lobby for support by officials at the highest level for Hong Kong's accession to RCEP. The HKSAR Government will continue to instigate dialogues and discussions with RCEP members as soon as practicable, and strive to build consensus from various sectors in supporting Hong Kong's accession to RCEP, thereby creating favourable conditions for our accession.

In addition, the 14 overseas Hong Kong Economic and Trade Offices (ETOs) <sup>Note 3</sup> have strived to maintain close communication and contact with the international community and overseas interlocutors from different sectors, and to promote and explain the HKSAR Government's major policies, so as to strengthen the trade ties between Hong Kong and other regions. Among them, the Dubai ETO, which is our 14th and first ETO in the Middle East region, has come into operation since October 2021. The establishment of the Dubai ETO has fostered closer trade and economic ties between Hong Kong and trading partners in the region, especially member states of the Gulf Cooperation Council, while enhancing Hong Kong's reputation in the region. The HKSAR Government will continue to proactively explore the feasibility of setting up ETOs in different countries, in order to further strengthen our global trade and economic network, thus contributing to external circulation.

In addition to expanding our international economic and trade network, the HKSAR Government also strives to develop the Mainland domestic market. The demand of the Mainland market will continue to grow under the national dual circulation strategy. The Government endeavours to assist Hong Kong enterprises in tapping into the Mainland domestic market, taking the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) as the best entry point to grasp the enormous business opportunities on the Mainland, including providing Hong Kong businessmen with training and policy and market consultation services through the Hong Kong Trade Development Council (HKTDC)'s "HKTDC GBA Centre" in Shenzhen and "GoGBA Business Support Centres" set up jointly with its Mainland partners. Furthermore, from 2022-23 to 2024-25, the Government provides an additional funding of \$45 million per annum to the HKTDC for implementing the "Support Scheme for Pursuing Development in the Mainland" to strengthen support for Hong Kong businessmen on the Mainland and enhance young Hong Kong entrepreneurs' understanding of the business environment and market of the Mainland to better equip them to develop the Mainland market, through organising training, exchange programmes, business missions, etc. in different provinces and cities. The HKTDC will also actively coordinate Hong Kong enterprises to participate in Mainland trade shows (such as the China International Import Expo held annually in Shanghai) and organise major events on the Mainland to promote Hong Kong products and services.

The Government will also continue to seek various preferential and facilitation measures for Hong Kong businesses under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to create favourable conditions for the trade to access the Mainland market, and will continue to assist enterprises in market development through various funding schemes such as the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund.

Furthermore, the Government will provide additional funding totalling \$550 million to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road (B&R) Initiative and the GBA development and tap into emerging markets, as well as to step up global promotional efforts.

In support of the B&R Initiative, the Government will explore and tap emerging markets such as the ASEAN, the Middle East, Central Asia and Africa, while maintaining ties with the European and American markets. This year marks the 10th anniversary of the B&R Initiative. The Government will co-organise the 8th Belt and Road Summit (Summit) as a highlight with the HKTDC. We will align with the planning of relevant Mainland authorities, and actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, and business and professional sectors, and will underline the opportunities availed to Hong Kong by the Middle East markets by building on the outcome of the Chief Executive's visit to the Middle East in February this year.

We will also leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp B&R business opportunities. Such include the planning of a business mission for B&R related enterprises based in Hong Kong to the GBA to enhance their understanding of the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as "facilitator" in our country's international circulation. We will also organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the ASEAN and the Middle East, etc. We will also discuss with the Ministry of Commerce on jointly organising Mainland and Hong Kong enterprises and professional services to "go global" together again with a view to promoting our professional services. Furthermore, we are planning a series of business exchanges and interface activities and producing television short clips and publication(s), etc. on cases and experience sharing so as to enhance community understanding of the B&R Initiative.

On investment promotion, Invest Hong Kong (InvestHK) has been reaching out to a wide spectrum of companies in different sectors around the world through the teams based in Hong Kong and the investment promotion networks in the Mainland and overseas (including Mainland Offices and the ETOs) to attract and assist those companies to set up and expand their businesses in Hong Kong. The Government has allocated additional recurrent provision of around \$90 million in phases to InvestHK in the 2022-23 Budget, for enhancing the investment promotion networks in the Mainland and overseas, engaging new consultants to tap into emerging markets such as Africa and Central Asia and consolidating investment promotion efforts in priority sectors. Through continued collaboration with relevant stakeholders, chambers of commerce, and professional bodies, etc., InvestHK will continue to roll out an array of investment promotion activities, including meetings, conferences, roadshows, seminars, exhibitions, etc. in these emerging markets to proactively tell the good stories of Hong Kong and showcase the immense business opportunities brought by national strategies, including the National 14th Five-Year Plan, the GBA Development and the B&R Initiative, to the international business communities.

Other than the aforementioned additional funding, this Bureau and respective departments/organisations will continue to utilise their existing manpower and provisions to implement the various work plans, the expenditure of which has been subsumed under their respective overall estimated expenditure and cannot be quantified separately.

- Note 1: Hong Kong has signed 8 FTAs with 20 economies, including Mainland China (2003), New Zealand (2010), Member States of the European Free Trade Association (i.e. Iceland, Liechtenstein, Norway and Switzerland) (2011), Chile (2012), Macao SAR (2017), ASEAN (2017), Georgia (2018), and Australia (2019). All FTAs have come into force.
- Note 2: Hong Kong has signed 22 IPPAs with 31 overseas economies, including ASEAN, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, Netherlands, New Zealand, Sweden, Switzerland, the United Arab Emirates, and the United Kingdom. All IPPAs have come into force.
- Note 3: The 14 ETOs of the HKSAR Government are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

- End -

**CONTROLLING OFFICER'S REPLY**

**(Question Serial No. 1592)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the responsibilities of the Commerce and Economic Development Bureau is to formulate policies to support small and medium enterprises (SMEs). In this connection, will the Government inform this Committee of the following:

1. In the past 3 years, under the 3 schemes of the SME Export Marketing Fund, the Dedicated Fund on Branding, Upgrading and Domestic Sales and the Trade and Industrial Organisation Support Fund, what were the respective (i) total numbers of applications received, (ii) total numbers of applications approved, (iii) total amount of approved funding, (iv) numbers of enterprises benefitted, (v) beneficiary sectors, and (vii) breakdowns of applications approved in each of these beneficiary sectors? What are the details and effectiveness of the 3 schemes respectively?
2. In 2023-24, will there be other specific work plans or measures to further enhance the support for assisting the local SMEs and startups to cope with the post-pandemic challenges and adapt to the new normal? If yes, what are the specific details, detailed breakdown of the total estimated expenditure involved and expected results? If no, what are the reasons?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 22)

Reply:

The overall implementation of the SME Export Marketing Fund (EMF), the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the Trade and Industrial Organisation Support Fund (TSF) from 2020 to 2022 is as follows:

## 2020

	<b>EMF</b>	<b>BUD Fund</b>	<b>TSF</b>
Number of applications received Note 1	11 215	3 521	69
Number of applications approved	10 764	881	28
Number of beneficiaries	5 750	825	Not applicable <sup>Note 2</sup>
Amount of grants approved by the Government (\$)	240 million	585 million	55 million
Major beneficiary sectors [Number of approved applications involved] (in the order of the largest number of approved applications)	1. Import and Export Trade [3 610] 2. Wholesale and Retail [1 448] 3. Electronics [600]	1. Wholesale and Retail [219] 2. Import and Export Trade [93] 3. Textiles and Clothing [65]	1. Cross-sectors [7] 2. Automotive and Automotive Parts [3] 3. Food and Beverage Manufacturing [2]

## 2021

	<b>EMF</b>	<b>BUD Fund</b>	<b>TSF</b>
Number of applications received Note 1	19 754	2 580	55
Number of applications approved	13 998	898	12
Number of beneficiaries	6 209	843	Not applicable <sup>Note 2</sup>
Amount of grants approved by the Government (\$)	232 million	633 million	20 million
Major beneficiary sectors [Number of approved applications involved] (in the order of the largest number of approved applications)	1. Import and Export Trade [4 239] 2. Wholesale and Retail [2 870] 3. Printing and Publishing [745]	1. Wholesale and Retail [157] 2. Import and Export Trade [120] 3. Textiles and Clothing [58]	1. Information Technology [2] 2. Textiles and Clothing [2] 3. Automotive and Automotive Parts [1]



	<b>EMF</b>	<b>BUD Fund</b>	<b>TSF</b>
Number of applications received Note 1	21 496	2 637	33
Number of applications approved	15 888	1 351	18
Number of beneficiaries	7 500	1 204	Not applicable Note 2
Amount of grants approved by the Government (\$)	332 million	966 million	32 million
Major beneficiary sectors [Number of approved applications involved] (in the order of the largest number of approved applications)	1. Wholesale and Retail [4 104] 2. Import and Export Trade [3 735] 3. Jewellery [1 024]	1. Wholesale and Retail [246] 2. Import and Export Trade [184] 3. Electronics [80]	1. Information Technology [3] 2. Metal Products [3] 3. Cross-sectors [2]

Note 1: Applications received may not be processed in the same year. The figures also include applications that could not be processed owing to the lack of necessary information and applications withdrawn voluntarily by enterprises.

Note 2: The TSF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) but not to enterprises directly. The number of beneficiaries depends on the industries involved and details of individual projects, and it is difficult to estimate accurately the number of benefiting enterprises.

The number of applications and the amount of funding approved under the BUD Fund in 2022 increased by 50% and 53% respectively as compared with 2021. The number of applications and the amount of funding approved under the EMF in 2022 increased by 14% and 43% respectively as compared with 2021. The number of applications and the amount of funding approved under the TSF in 2022 increased by 50% and 60% respectively as compared with 2021.

In 2023-24, the Government will continue to assist enterprises in exploring more diversified markets and enhancing their competitiveness through various funding schemes, and enhance SMEs' understanding of government funding schemes through various promotion channels, with a view to encouraging better utilisation of the support provided by the Government.

The Financial Secretary announced in the 2023-24 Budget to further inject \$500 million into the BUD Fund and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly reduced by half as compared with the 60-working-day pledge for general applications of the

BUD Fund. We expect that around 3 500 applications will be received by the BUD Fund in 2023, and the funding amount approved will be about \$1.1 billion.

In addition, the Government established “SME ReachOut” in January 2020 to help SMEs identify suitable government funding schemes and answer questions relating to applications. The Financial Secretary announced in the 2023-24 Budget to allocate \$100 million to enhance the services of “SME ReachOut” in the next 5 years. Specifically, starting from October 2023, the Government will allocate funding to the Hong Kong Productivity Council to gradually step up the services of “SME ReachOut”, including arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, and increasing the publicity in social media so as to step up the promotion of government funding schemes. At the same time, more one-on-one consultation sessions will be provided to assist SMEs in applying for government funding and building their capacities, and enhancing their competitiveness through leveraging new technologies.

The estimated expenditure of “SME ReachOut” to be borne by the Government in 2023-24 is about \$15.3 million. The total expenditure of the BUD Fund, the EMF and the TSF in 2023-24 is estimated to be around \$1.38 billion.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB085****(Question Serial No. 1593)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the responsibilities of the Commerce and Economic Development Bureau is to “provide support to local businesses in developing overseas and Mainland domestic sales markets”. In this connection, will the Government inform this Committee of the following:

1. What were the respective resources deployed by the Government to this area and the major tasks completed and major achievements made in the past 3 years;
2. What are the details and latest implementation progress of the Support Scheme for Pursuing Development in the Mainland? What are the specific number of subsidised projects, number of beneficiary sectors and enterprises and the cities in which they are located, achievements made and remaining fund balance?
3. Regarding the further expansion of the “GoGBA Business Support Centre” network to cover all 9 Mainland cities of the Greater Bay Area, what are the specific details, timetable and estimated expenditure involved?
4. Are there any plans to further expand the one-stop “GoGBA” digital platform and the “GoGBA Business Support Centres” in various Greater Bay Area cities to other Mainland provinces and cities, such as Beijing, Shanghai, with a view to providing more diversified and convenient commercial support services with a wider coverage for Hong Kong businesses in the Mainland? If yes, what are the details, timetable and estimated expenditure involved? If not, what are the reasons?
5. In 2023-24, will there be other specific work plans or measures to promote Hong Kong products and services to overseas and Mainland markets? In particular, how will the Government step up the promotion in order to facilitate overall market recovery after the pandemic? If yes, what are the specific details, detailed breakdown of the total estimated expenditure involved and expected results? If not, what are the reasons?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 23)

Reply:

While constrained by the epidemic in the past 3 years, the Hong Kong Trade Development Council (HKTDC) continued to organise multiple online industry exhibitions and conferences through digital format, and help Hong Kong enterprises stay connected with the Mainland and overseas through its Mainland and overseas offices, especially the neighbouring Asian markets of the Association of Southeast Asian Nations (ASEAN), Japan and South Korea, etc., to create business opportunities and meet challenges. In addition, the HKTDC implements a number of support programmes such as the Transformation Sandbox (T-Box) programme for small and medium enterprises (SMEs), the “GoGBA one-stop platform” for exploring the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Start-up Express programme for start-ups, and the Support Scheme for Pursuing Development in the Mainland for Hong Kong enterprises on the Mainland to provide multi-faceted support to assist Hong Kong enterprises in exploring the overseas and Mainland domestic sales markets. Noting the gradual stabilisation of the epidemic, the HKTDC has also fittingly launched EXHIBTION+ to help SMEs seize opportunities during the epidemic through connecting overseas buyers and sellers in an online-offline hybrid mode to leverage the advantages of physical trade exhibitions and online procurement platforms.

In addition, the Government continues to seek various preferential liberalisation measures for Hong Kong businesses under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to create favourable conditions for the trade to access the Mainland market, and continues to assist enterprises in developing the overseas and the Mainland domestic sales markets through various funding schemes such as the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund.

#### Support Scheme for Pursuing Development in the Mainland

The HKTDC, in collaboration with relevant Mainland organisations (including government departments, business associations, and youth and start-up organisations, etc.) and having regard to the situation and needs of Hong Kong enterprises on the Mainland, implements the Scheme to help Hong Kong enterprises on the Mainland understand the latest Mainland policies and measures, and grasp the market opportunities in different Mainland locations and industries with a view to aligning with the national development strategy and further developing businesses.

The Scheme covers different areas on the Mainland, with more emphasis putting on the GBA. At the early stage, the Scheme is implemented in Mainland cities with more Hong Kong businesses operating (such as Beijing, Shanghai, Guangzhou and Shenzhen), and will give more focus to the key places under the national development strategy (such as Chengdu, Chongqing and Wuhan) later.

During April to September 2022, the HKTDC conducted survey studies to understand the challenges and overall situation faced by Hong Kong enterprises on the Mainland. The HKTDC visited 8 cities to conduct surveys and organise seminars, receiving more than 1 700 replies from Hong Kong enterprises on the Mainland. The feedback showed that Hong Kong enterprises have been affected by the epidemic in varying degrees, and they would like

to have more sharing and briefing sessions on the current policies to better understand the markets in various regions for their network expansion. The HKTDC formulated the Scheme to cater for enterprises' needs in accordance with the findings, and planned a series of activities and services in three areas, i.e. market access, business operations and development opportunities.

Starting from mid-2022, the HKTDC has been working in an online-offline hybrid mode in organising various activities, with a view to minimising the impact of anti-epidemic measures and serving more Hong Kong enterprises. With the relaxation of the Mainland's anti-epidemic restrictions in early December 2022, more offline activities could be organised. Up to January 2023, the HKTDC has organised more than 100 events of different types, in which more than 9 400 business representatives participated. The formats of these events include introduction and briefing of the current policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc. Different sectors, ranging from finance, innovation and technology, professional services, biomedicine, catering, environmental protection to cultural and creative industries, have been covered.

In 2023-24, the HKTDC will continue to organise different types of activities under the Scheme, including organising cross-province or cross-region missions and arranging matching with local officials and Mainland enterprises, etc. to allow Hong Kong enterprises on the Mainland to better understand relevant business policies and market trends, and to help them establish new business connections.

From 2022-23 to 2024-25, the Commerce and Economic Development Bureau (CEDB) provides an additional funding of \$45 million per annum (i.e. a total of \$135 million) to the HKTDC for implementing the Scheme.

### GoGBA Business Support Centres

The "HKTDC GBA Centre" established by the HKTDC in Shenzhen strives to provide local promotional support, consultations, training and business matching services, etc. while "GoGBA Business Support Centres" established by the HKTDC and its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan, together with the HKTDC's office in Guangzhou and SME Centre in Hong Kong, assist Hong Kong enterprises in starting and developing businesses in the GBA. The HKTDC will continue to look for suitable partners to set up "GoGBA Business Support Centres" in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises.

### Work in 2023-24

In 2023-24, the HKTDC is committed to assisting Hong Kong enterprises in seizing the opportunities brought about by the Belt and Road Initiative and the GBA, as well as developing emerging markets and stepping up global promotion efforts. The focus of the HKTDC's work will be aligned with the directions of the Government's policy to revitalise the economy and the development of the National 14th Five-Year Plan, with exhibitions, conferences, overseas promotion and business activities organised in the GBA, ASEAN and Belt and Road countries to showcase Hong Kong's competitive advantages in innovation, technology and sustainable development, and to promote Hong Kong's roles as a solution

provider and a connecting bridge of international business opportunities. Together with the HKTDC's digital procurement and exhibition platform EXHIBITION+ and support programmes targeting SMEs and startups, the HKTDC will capitalise on Hong Kong's unique advantages of "enjoying strong support of the Motherland and being closely connected to the world", reinforce Hong Kong's role as a global business hub, extensively connect local, Mainland and international business communities and create new opportunities for them.

The expenditure for the above work has been subsumed under the overall estimated expenditure of CEDB, the Trade and Industry Department and the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB086**

**(Question Serial No. 1594)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Matters Requiring Special Attention in 2023-24 that the Commerce and Economic Development Bureau (CEDB) will “continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong’s participation, including seeking early accession to the Regional Comprehensive Economic Partnership (RCEP)”. In this connection, will the Government inform this Committee of the following:

1. In the reply to the CEDB on 31 January last year, the Depositary of the Agreement stated that Hong Kong’s request for accession to the RCEP would be considered. Is there any new development regarding the application? If yes, what are the details? If no, is the application expected to be approved within this year? Will the Government commence any work in this regard to expedite the approval process? If yes, what are the specific details and implementation timetable? If no, what are the reasons?
2. Has the Government drawn up a series of work plans in respect of Hong Kong’s accession to the RCEP? What are the specific details and estimated expenditure involved? What are the benefits expected to be brought about to our local economy?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 24)

Reply:

In 2022, the total bilateral merchandise trade between Hong Kong and Regional Comprehensive Economic Partnership (RCEP) member economies amounted to US\$857.1 billion, accounting for around 71% of Hong Kong’s total merchandise trade; meanwhile, RCEP member economies are also the primary destinations of Hong Kong’s outward foreign investment, amounting to more than 60% (66.7%) of our total outward foreign investment. Hong Kong’s prospective RCEP membership would further complement supply chain developments in the region, attract more Hong Kong businesses to

invest in RCEP member economies, invigorate regional merchandise trade, investment and relevant infrastructure developments, thus enhancing Hong Kong's status as a regional trade centre.

Upon the entry into force of RCEP <sup>Note 1</sup> on 1 January 2022 <sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong's formal accession request, and actively made use of various regional fora to reiterate Hong Kong's keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices have also maintained close contact with trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

As the relevant work is implemented by existing manpower and is part of the regular duties of the Commerce and Economic Development Bureau, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory State (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

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**CONTROLLING OFFICER'S REPLY**

**CEDB087**

**(Question Serial No. 1595)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Financing Guarantee Scheme (SFGS), will the Government inform this Committee of the following:

1. (i) the total number of applications received; (ii) the total number of applications approved; (iii) the total amount of loans approved; (iv) the number of enterprises benefited; (v) the number of employees benefited; (vi) the beneficiary sectors; and (vii) the respective numbers of applications approved in each of these beneficiary sectors in the past 3 years, with a breakdown by various guarantee products (i.e. the 80%, 90% and Special 100% Guarantee Products);
2. the total number of default cases and the default rates and loan guarantee amounts involved in the past 3 years, with a breakdown by various guarantee products (i.e. the 80%, 90% and Special 100% guarantee products);
3. the amount of credit lines used and the remaining uncommitted balance against the approved commitment, with a breakdown by various guarantee products (i.e. the 80%, 90% and Special 100% guarantee products); and
4. whether the Government has any specific plans or measures to enhance the SFGS so as to help expedite the post-epidemic recovery of small and medium enterprises and tide them over the difficult times; if so, of the details; if no, of the reasons.

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 25)

Reply:

From January 2020 to end February 2023, the application and default figures of the various guarantee products under the SME Financing Guarantee Scheme (SFGS) are as follows:

	<b>80% Guarantee Product</b>	<b>90% Guarantee Product</b>	<b>Special 100% Guarantee Product</b> <sup>Note 1</sup>
Number of Applications Received	7 155	8 758	65 142
Number of Applications Approved	6 402	8 274	60 352
Total Loan Amount of Approved Cases (\$)	31.58 billion	15.80 billion	120.94 billion
Number of Benefitted Enterprises	2 935	6 508	35 914
Number of Benefitted Employees	52 170	61 361	368 784
Number of Default Cases	357	105	1 945
Loan Guarantee Amount of Default Cases (\$)	1 billion	0.12 billion	3.86 billion
Default rate	3.9% <sup>Note 2</sup>	0.8%	3.2%

From January 2020 to end February 2023, the major beneficiary sectors of the applications approved of various guarantee products under the SFGS are as follows:

<b>Beneficiary Sector</b>	<b>Number of Applications Approved</b>		
	<b>80% Guarantee Product</b>	<b>90% Guarantee Product</b>	<b>Special 100% Guarantee Product</b> <sup>Note 1</sup>
Trading, Wholesale and Retail	3 511	4 381	21 562
Engineering and Construction	666	834	5 124
Manufacturing	570	416	3 542
Others (e.g. Catering, Transportation)	1 655	2 643	30 124

As at end February 2023, the guarantee commitment used under the SFGS was \$218.3 billion, while the remaining guarantee commitment was \$61.7 billion.

The Government appreciates that it takes time for small and medium enterprises (SMEs) to consolidate their strengths on the way to recovery, and has therefore extended the application period of all the guarantee products under the SFGS from end June 2023 to end March 2024, thus giving SMEs more room to adjust and secure a firm footing.

Note 1: The Special 100% Guarantee Product was launched in April 2020.

Note 2: The 80% Guarantee Product was launched in 2012. This figure includes defaults prior to January 2020.

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**CONTROLLING OFFICER'S REPLY****CEDB088****(Question Serial No. 1869)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As announced in the 2022-23 Budget, the Government would allocate an additional funding of \$45 million per annum (i.e. a total of \$135 million over 3 years) from 2022-23 to 2024-25 to the Hong Kong Trade Development Council for the launch of the Support Scheme for Pursuing Development in the Mainland (the Scheme). In this connection, will the Government inform this Committee:

- given that the Scheme has been launched for a year, of the activities that have been organised under the Scheme over the past year to help Hong Kong businessmen deepen their understanding of the Mainland's business environment and market;
- of the specific work plans for the Scheme to facilitate Hong Kong businessmen and enterprises' business development and expansion of network to different cities and regions in the coming year;
- whether the Government has set relevant targets or key performance indicators regarding the progress of implementation of the Scheme with a view to monitoring its effectiveness; and
- given that "to open up the Mainland domestic market" is mentioned in paragraph 116 of the Budget Speech 2023-24, of any specific work and supportive measures to assist Hong Kong businessmen and enterprises in opening up the Mainland domestic market and seizing the opportunities brought about by the dual circulation development of the nation?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 10)

Reply:

The Hong Kong Trade Development Council (HKTDC), in collaboration with relevant Mainland organisations (including government departments, business associations, and youth

and start-up organisations, etc.) and having regard to the situation and needs of Hong Kong enterprises on the Mainland, implements the Support Scheme for Pursuing Development in the Mainland (the Scheme) to help Hong Kong enterprises on the Mainland understand the latest Mainland policies and measures, and grasp the market opportunities in different Mainland locations and industries with a view to aligning with the national development strategy and further developing businesses.

The Scheme covers different areas on the Mainland, with more emphasis putting on the Guangdong-Hong Kong Macao Greater Bay Area (GBA). At the early stage, the Scheme is implemented in Mainland cities with more Hong Kong businesses operating (such as Beijing, Shanghai, Guangzhou and Shenzhen), and will give more focus to the key places under the national development strategy (such as Chengdu, Chongqing and Wuhan) later.

During April to September 2022, the HKTDC conducted survey studies to understand the challenges and overall situation faced by Hong Kong enterprises on the Mainland. The HKTDC visited 8 cities to conduct surveys and organise seminars, receiving more than 1 700 replies from Hong Kong enterprises on the Mainland. The feedback showed that Hong Kong enterprises have been affected by the epidemic in varying degrees, and they would like to have more sharing and briefing sessions on the current policies to better understand the markets in various regions for their network expansion. The HKTDC formulated the Scheme to cater for enterprises' needs in accordance with the findings, and planned a series of activities and services in three areas, i.e. market access, business operations and development opportunities.

Starting from mid-2022, the HKTDC has been working in an online-offline hybrid mode in organising various activities, with a view to minimising the impact of anti-epidemic measures and serving more Hong Kong enterprises. With the relaxation of the Mainland's anti-epidemic restrictions in early December 2022, more offline activities could be organised. Up to January 2023, the HKTDC has organised more than 100 events of different types, in which more than 9 400 business representatives participated. The formats of these events include introduction and briefing of the current policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc. Different sectors, ranging from finance, innovation and technology, professional services, biomedicine, catering, environmental protection to cultural and creative industries, have been covered.

In 2023-24, the HKTDC will continue to organise different types of activities under the Scheme, including organising cross-province or cross-region missions and arranging matching with local officials and Mainland enterprises, etc. to allow Hong Kong enterprises on the Mainland to better understand relevant business policies and market trends, and to help them establish new business connections. The Scheme supports Hong Kong people and businessmen in exploring the Mainland market through a variety of channels. The activities held or to be organised are subject to the needs of the market and the trade, hence no specific indicator has been set.

In addition, the HKTDC launched the "GoGBA one-stop platform" in June 2021 to provide important economic and trade information about the cities of the GBA, and help Hong Kong enterprises build network and promote business opportunities in the GBA. Meanwhile, the HKTDC has also established "GoGBA Business Support Centres" with its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan to assist Hong Kong

enterprises in starting and developing businesses in the GBA, and will continue to look for suitable partners to set up “GoGBA Business Support Centres” in other GBA cities (i.e. Huizhou, Jiangmen and Zhaoqing) in the coming one to two years to strengthen local support for Hong Kong enterprises.

The HKTDC will continue to organise online and offline promotion activities and arrange Hong Kong enterprises to participate in major Mainland exhibitions to promote Hong Kong’s unique brands and products, helping Hong Kong products and brands enter the Mainland market. For instance, the HKTDC will organise flagship events during the Guangdong-Hong Kong Cooperation Week in May 2023, including SmartHK in Guangzhou to promote Hong Kong’s technology, professional services and creative industries, and Chic HK in Shenzhen to promote Hong Kong’s product design and brands.

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**CONTROLLING OFFICER'S REPLY****CEDB089****(Question Serial No. 1870)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 115 of the 2023-24 Budget Speech that under our country's new development pattern, we will strengthen our role as a connecting platform for international circulation between our country and the rest of the world. We will also capitalise on the dual engines of the Belt and Road (B&R) Initiative and the Greater Bay Area (GBA) development to facilitate commercial exchanges between the GBA and the Association of Southeast Asian Nations (ASEAN), and enhance the strategic positioning of both our country and Hong Kong in global and regional economy and trade. In this connection, will the Government advise this Committee of the following:

1. The Belt and Road Office (BRO) was set up in 2016. What were its establishment and expenditure involved in the last financial year? Will there be any change in its establishment and estimated expenditure in this financial year to support Hong Kong in seizing B&R-related opportunities?
2. What specific work did the BRO carry out last year to support Hong Kong in seizing B&R-related opportunities? What are the work plans and objectives of the BRO in the coming year?
3. It is stated in the 2023-24 Budget Speech that the Government will provide additional funding of \$550 million in total to the Hong Kong Trade Development Council in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets as well as stepping up our global promotional efforts. What are the specific work plans and funding model adopted?

4. It is mentioned under the Matters Requiring Special Attention that the Government will step up promotional and publicity efforts in publicising Hong Kong's role and achievements in the B&R Initiative with a view to enhancing the community's understanding and support. What are the details of the promotional and publicity work?
5. Does the Government have any plan to expand the network of the overseas Hong Kong Economic and Trade Offices (HKETOs) in B&R countries, such as ASEAN countries, and strengthen the support services rendered by the existing HKETOs in B&R countries so as to provide enhanced support and practical assistance for Hong Kong businessmen in those countries?
6. Taking such traditional industries as the textile and clothing industry as an example, the trade's experience of going global by doing business and setting up factories in B&R countries should be leveraged to assist Mainland enterprises in bringing their techniques, brands and products overseas, with a view to joining forces with Mainland enterprises in participating in the high quality development of the B&R. Will the Government strengthen co-operation and co-ordination with Hong Kong enterprises and businessmen already in B&R countries so as to better promote the B&R Initiative?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 11)

Reply:

In 2022, in taking forward the Belt and Road (B&R) Initiative, the Commerce and Economic Development Bureau (CEDB) co-organised the 7th Belt and Road Summit (Summit) with the Hong Kong Trade Development Council (HKTDC); organised a webinar with the Government of the United Arab Emirates (UAE); promoted business opportunities in overseas Economic and Trade Co-operation Zones, including organising an online focus networking session and a business seminar respectively; furthered policy co-ordination with the Central Authorities through the Joint Conference on Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road; and organised a business and professional mission to Saudi Arabia and the UAE to explore opportunities in B&R related countries and regions.

2023 marks the 10th anniversary of the B&R Initiative. The Government will co-organise the 8th Summit as a highlight with the HKTDC. We will align with the planning of relevant Mainland authorities, and actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The Summit will invite representatives from the Mainland and overseas governments, as well as business and professional sectors, and will underline the opportunities availed to Hong Kong by the Middle East markets by building on the outcome of the Chief Executive's visit to the Middle East in February this year.

Moreover, the CEDB will leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp B&R business opportunities. These include the planning of a business mission for B&R related enterprises based in Hong Kong to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance their understanding of the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as "facilitator" in our country's

international circulation. We will also organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the Association of Southeast Asian Nations and the Middle East, etc. The CEDB will also discuss with the Ministry of Commerce on jointly organising Mainland and Hong Kong enterprises and professional services to “go global” together again with a view to promoting our professional services. Furthermore, the CEDB is planning a series of business exchanges and interface activities and producing television short clips and publication(s), etc., on cases and experience sharing so as to enhance the y understanding of the B&R Initiative by various sectors.

In 2022-23, the Belt and Road Office (BRO) had an establishment of 21. The estimated overall expenditure for last year was about \$39.96 million. In 2023-24, due to reduction of two time-limited posts, the establishment of BRO will be 19 and the estimated overall expenditure will be reduced to about \$37.44 million.

The Government will provide additional funding totalling \$550 million to the HKTDC in the five financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tap into emerging markets, as well as to step up global promotional efforts.

Since the launch of the B&R Initiative, the HKTDC has been actively building Hong Kong as an international business platform for the Initiative. Through organising large-scale international conferences, delegations, publicity and outreach activities via its global network of 50 offices, the HKTDC has facilitated co-operation between Mainland and Hong Kong enterprises, investors, professional service teams and project owners in countries along the B&R. This year marks the 10th anniversary of the B&R Initiative, the Government and the HKTDC will continue to co-organise the annual B&R Summit to actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. The HKTDC will also organise business missions to B&R economies and conduct more relevant market research to help Hong Kong enterprises keep abreast of the latest developments of the Initiative and explore new opportunities.

To further promote the business opportunities of the GBA and Hong Kong’s role in its development, the HKTDC’s GoGBA programme will be strengthened with additional “GoGBA Business Support Centres” planned in Huizhou, Jiangmen and Zhaoqing in the next few years to increase support across the GBA’s nine core cities. In addition, the HKTDC will hold business networking activities in different GBA cities and step up publicity efforts to increase the public’s understanding of the GBA development.

With the Association of Southeast Asian Nations (ASEAN) and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance promotion efforts such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.



To strengthen Hong Kong's trade and economic relations with other places, the HKSAR Government has strived to expand our network of overseas Economic and Trade Offices (ETOs), so as to enhance our external promotion and communication, and to explore new business opportunities. Our 14 ETOs <sup>Note</sup> already covered a number of countries along the B&R, including our three ETOs in the ASEAN region (namely Bangkok, Jakarta and Singapore) and the newly-established Dubai ETO, which all assist in strengthening our bilateral relations with countries along the B&R, fostering closer trade and economic relationships with our regional trade partners, promoting and explaining important HKSAR Government policies, and clarifying and rebutting untrue information about Hong Kong. The HKSAR Government will continue, on the basis of Hong Kong's trade interest and needs, to proactively explore the feasibility and relevant details in setting up ETOs in various countries, so as to continually develop Hong Kong's global trade network.

Besides, in line with the "Competing for Talents and Enterprises" strategy and objective, the Government has established the Dedicated Teams for Attracting Businesses and Talents in ETOs in December 2022 to support the work of the Office for Attracting Strategic Enterprises led by the Financial Secretary and the Talent Service Unit under the Labour and Welfare Bureau, to provide facilitating service for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs will, through various means and channels, proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, so as to promote Hong Kong's opportunities and advantages, and our various talent admission programmes, so as to encourage talents to settle in Hong Kong.

The Government will also enhance collaboration with the HKTDC as well as other stakeholders, including major chambers of commerce and professional bodies in Hong Kong, so as to strengthen co-operation and co-ordination with Hong Kong enterprises and businessmen already in B&R countries so as to better promote the B&R Initiative.

Note : The HKSAR Government currently has 14 overseas ETOs, namely in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington.

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**CONTROLLING OFFICER'S REPLY****CEDB090****(Question Serial No. 1871)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

It is mentioned in paragraph 41 of the Budget Speech that the Government has decided to extend the application period of all guarantee products under the SME Financing Guarantee Scheme (SFGS) from end-June 2023 to end-March 2024. In this connection, will the Government inform this Committee of the following:

- What are the respective numbers of applications, numbers of approved applications, and default rates of the 80% Guarantee Product, the 90% Guarantee Product and the Special 100% Loan Guarantee for the past year?
- It is mentioned in paragraph 42 of the Budget Speech that the Government will, drawing on the experience in implementing the SFGS, offer fully guaranteed loans for eligible passenger transport operators and licensed travel agents. Has the Government considered or planned, by making reference to the above arrangements, to support other industries affected by the epidemic?
- Some small and medium enterprises (SMEs) have reflected that their guarantee applications have been rejected without any solid reasons. Will the Government consider enhancing the relevant vetting mechanism, e.g. providing the applicants with clearer explanations on the rejection decisions and allowing the applicants to appeal against the rejection of their applications?
- The application period of all guarantee products under the SFGS will expire in end-March next year. Will the Government consider launching other measures to provide appropriate support to SMEs?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 12)

Reply:

From January 2022 to end February 2023, the application and default figures of the SME Financing Guarantee Scheme (SFGS) are as follows:

	<b>80% Guarantee Product</b>	<b>90% Guarantee Product</b>	<b>Special 100% Guarantee Product</b>
Number of Applications Received	2 672	2 947	16 292
Number of Applications Approved	2 310	2 752	13 345
Default rate <sup>Note</sup>	3.9%	0.8%	3.2%

Note: The 80%, 90% and Special 100% Guarantee Products were launched in 2012, 2019 and 2020 respectively. These figures include defaults prior to January 2022.

The main reasons for not approving some applications under the SFGS are ineligibility or failure to provide sufficient documents of proof while, in some cases, owing to suspected involvement of illegal activities. If requested by the applying enterprise, the lending institution and HKMC Insurance Limited will explain the reasons for not approving the application (e.g. lacking certain documents of proof), although it may not be possible to provide a specific explanation in certain situations (e.g. suspicious cases that are subject to investigation).

The Government will continue to closely monitor the applications and operation of the SFGS. Individual bureaux will also, having regard to the needs of the relevant sectors, introduce corresponding support measures in a timely manner.

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**CONTROLLING OFFICER'S REPLY****CEDB091****(Question Serial No. 1872)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 116 of the Budget Speech, Hong Kong needs to open up the Mainland domestic market, and explore and tap emerging markets such as ASEAN, the Middle East, Central Asia and Africa while maintaining ties with the European and American markets. The export credit insurance measures have been providing key support to Hong Kong exporters in expanding into global markets. In this connection, will the Government inform this Committee of the following:

- As proposed in the Budget last year, the Export Credit Guarantee Programme was launched on a pilot basis to help small and medium-sized exporters secure export financing from banks more easily, and at the end of last year, its application period was extended to 30 June this year. Since the launch of the pilot programme, how many applications have been received and how many of them have been approved?
- How many policyholders have benefited from the Export Credit Guarantee Programme since its launch? What is the cumulative amount involved?
- Regarding the “Flexible Indemnity Ratio” arrangements implemented by the Hong Kong Export Credit Insurance Corporation in the second half of last year to strengthen the insurance coverage to exporters under different risk situations, how many policyholders or exporters in total have benefited from the arrangements since their implementation?
- As small and medium-sized enterprises and exporters are still in need of the Government’s financial and policy support on their path to normalcy, does the Government have any plan to further extend the “100% Credit Limit Top-Up Scheme” and various supportive measures?

- Given that online retailing has become a major sales channel for quite a number of enterprises, what are the total amount of credit limit issued and insured business involving e-commerce, and their percentage in the total insured business over the past 3 years?
- Does the Government have any plan to strengthen its co-operation with banking institutions, financial or insurance companies in the Mainland in providing Hong Kong enterprises with credit risk assessment services in respect of Mainland buyers; and assume more risks in respect of export credit insurance, with a view to further motivating Hong Kong enterprises to seize the opportunities brought by the domestic and international dual circulation?
- What are the number of insurance applications, number of cases insured and average maximum indemnity ratio for insured business involved in the Mainland China, ASEAN and the Middle East markets, and their percentage in the total insured business over the past 3 years?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 13)

Reply:

The government has maintained close communication with the Hong Kong Export Credit Insurance Corporation (HKECIC) and formulated measures in response to the economic situation and market demand, so as to provide appropriate support to Hong Kong exporters. Against the backdrop of the COVID-19 pandemic and high inflation in Europe and the United States (US), HKECIC has closely monitored market needs, in order to proactively support, in a timely manner, local exporters to explore overseas markets. Measures initiated by HKECIC in recent years include:

#### *1. 100% Credit Limit Top-up Scheme*

Since 8 June 2020, the HKSAR Government has implemented the 100% Credit Limit Top-up Scheme (the Scheme) to assist the export sector in responding to increasing credit risk, and extended the validity period of the Scheme 5 times until end-June 2023. As of end-February 2023, the Scheme has benefitted over 1 960 exporters, and has offered protection to \$33 billion worth of shipment.

Apart from that, HKECIC has launched a series of support measures since 2018 in response to the China-US trade conflict and the COVID-19 pandemic, including exempting policy annual fees, offering additional free credit assessment reports, so as to assist exporters to gain confidence in expanding into overseas markets. These support measures have had their validity periods extended several times until end-June 2023. As of end-February 2023, the Scheme has benefitted over 3 000 policyholders, and relevant discounts offered amounted to over \$31 million. We will continue to monitor the economic situation and review the Scheme and other support measures in a timely manner.

#### *2. Export Credit Guarantee Scheme*

HKECIC has launched the Export Credit Guarantee Scheme on a pilot basis since March 2022, offering up to 70% credit guarantee for the export financing of policyholders with a

limit of \$50 million, so as to enhance the confidence of banks in lending to small and medium enterprises (SMEs). As of now, HKECIC has received 2 applications and approved both of them, with the aggregate guarantee limit amounting to around \$9 million.

### *3. Flexible Indemnity Ratio Arrangement*

HKECIC launched the Flexible Indemnity Ratio Arrangement in September 2022 (the Arrangement), to increase the credit limit for policyholders with insufficient credit limits under \$5 million, where necessary, with an aim to enhance the insurance protection of exporters under various circumstances and degrees of risk, such that they could confirm orders from overseas buyers with more confidence. The Arrangement was applicable to all policyholders of HKECIC. Possibly due to the existence of other measures on the market that support SMEs, no policyholder has used the Arrangement thus far. We will continue to monitor the needs of the exports sector and review the Arrangement when appropriate.

### *E-commerce*

Over the past 3 years, the total amount of credit limit issued and insured business involving e-commerce, and their percentage in the total insured business are tabulated below:

	<b>Total amount of credit limit (\$million)</b>	<b>Total amount of insured business (\$million)</b>	<b>Percentage in the total insured business</b>
2021-22	1,004	740	0.6%
2020-21	864	563	0.4%
2019-20	317	380	0.3%

### *Mainland business*

The Mainland has always been one of HKECIC's major markets. Over the past 5 year, insured business in the Mainland amounted to 30-40% of HKECIC's total insured business. In light of market developments and gradually increasing demand, HKECIC is proactively exploring means to further enhance its risk capacity. As early as 2012, HKECIC had extended its coverage to subsidiaries controlled by Hong Kong exporters (i.e. those with over 50% of shares control) in various markets (including the Mainland), to include sales contracts signed between these subsidiaries and local or overseas buyers. Against the backdrop of dual circulation, Hong Kong exporters may make use of relevant extended coverage to explore the massive Mainland market and seize business opportunities.

To further expand into the Mainland market, HKECIC is exploring means to gain better access to credit information on Mainland buyers, including strategic cooperation with banking institutions and insurers in the Mainland. HKECIC is also discussing with credit agencies to understand the newest developments in data analysis. The discussions are in progress and details will be announced in due course.

In addition, HKECIC has, through various means such as regular exporter seminars and functions held with business partners, promoted its Mainland business. HKECIC also supports exporters to expand into other developing markets through support measures such

as providing free buyer credit assessment services to Hong Kong exporters, so as to assist them in understanding the credit situation of the buyers.

*Mainland, the Association of Southeast Asian Nations (ASEAN) and Middle East markets*

Over the past 3 year, the average highest indemnity ratio for cases in the Mainland, ASEAN and Middle East markets is 90%. The number of credit limit applications, number of credit limits approved, the total amount of insured business and their percentage of the total insured business are tabulated below:

Year	Region	Number of credit limit applications	Amount of credit limit application (\$million)	Approved credit limits		Amount of approved credit limit (\$million)	Credit limit commitment (\$million)	Percent age of total credit limit commitment
				Number of credit limit applications approved	Number of credit limit applications not approved			
2022-23 (10 months)	Mainland	2 075	44,990	1 435	599	30,048	28,700	24.5%
	ASEAN	654	11,817	496	162	6,640	4,298	3.7%
	Middle East	302	1,457	228	77	423	479	0.4%
	Total	3 031	58,264	2 159	838	37,111	33,478	28.5%
2021-22	Mainland	2 517	60,619	1 525	903	30,499	25,932	24.5%
	ASEAN	679	13,508	483	181	5,381	3,550	3.4%
	Middle East	276	1,050	186	84	344	342	0.3%
	Total	3 472	75,177	2 194	1 168	36,224	29,825	28.2%
2020-21	Mainland	2 984	89,528	1 861	1 085	60,856	18,669	19.8%
	ASEAN	667	7,511	472	198	3,385	3,108	3.3%
	Middle East	397	1,016	294	130	260	437	0.5%
	Total	4 048	98,055	2 627	1 413	64,502	22,214	23.6%

- End -

**CONTROLLING OFFICER'S REPLY****CEDB092****(Question Serial No. 1873)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 119 of the 2023-24 Budget that the Government will further inject \$500 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and, at the same time, launch “BUD Easy” to expedite the processing of applications, enabling more small and medium enterprises (SMEs) to make use of the funding to develop their business. In this connection, will the Government inform this Committee of the following?

- Please set out in the following table the amounts of grants for the approved projects under the BUD Fund in the past 3 years:

Year	Maximum amount of grant approved	Number of projects approved	Average processing time
2020-2021	\$100,000 or below		
	\$100,001-\$300,000		
	\$300,001-\$500,000		
	\$500,001-\$1,000,000		
2021-2022	\$100,000 or below		
	\$100,001-\$300,000		
	\$300,001-\$500,000		
	\$500,001-\$1,000,000		
2022-2023	\$100,000 or below		
	\$100,001-\$300,000		
	\$300,001-\$500,000		
	\$500,001-\$1,000,000		

- Has the Government drawn up a timetable for the launch of “BUD Easy”? What is the expenditure to be involved?



- Please set out the specific details and contents of “BUD Easy”. According to the Government’s estimation, to what extent will the application processing time be expedited upon the launch of “BUD Easy”?
- Upon the launch of “BUD Easy”, does the Government have any plans to set a key performance indicator (KPI) on the application processing time for the BUD Fund?
- Many members of the commercial and industrial sectors have reflected that apart from enhancement to the speed and efficiency in processing applications for the BUD Fund, simplification of the related procurement requirements is also deemed desirable. Please advise whether the Government has any plans to simplify the procurement requirements and procedures under the BUD Fund.
- With effect from November last year, the funding ceiling for each project applied for the BUD Fund is HK\$1 million, and each enterprise is entitled to a maximum of 70 projects, with the cumulative funding ceiling for all projects set at HK\$7 million. Please set out in the following table information related to the cumulative numbers of applications submitted by enterprises:

Cumulative number of applications	Number of enterprises making applications through the Mainland Programme	Number of enterprises making applications through the FTA and IPPA Programme <sup>Note</sup>
1-5 projects		
6-10 projects		
11-20 projects		
21-30 projects		
31-40 projects		
41-50 projects		
51-60 projects		
61-70 projects		

Note: FTA stands for Free Trade Agreement and IPPA stands for Investment Promotion and Protection Agreement.

Asked by: Hon TAN Sunny (LegCo internal reference no.: 14)

Reply:

The distribution of funding amounts approved to projects under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is as follows:

Year	Funding amounts approved	Number of projects approved
2020-21	\$100,000 or below	43
	Over \$100,000 to \$300,000	91
	Over \$300,000 to \$500,000	132
	Over \$500,000 to \$1,000,000	651
2021-22	\$100,000 or below	45
	Over \$100,000 to \$300,000	83
	Over \$300,000 to \$500,000	129
	Over \$500,000 to \$1,000,000	799

<b>Year</b>	<b>Funding amounts approved</b>	<b>Number of projects approved</b>
2022-23 (as at February 2023)	\$100,000 or below	59
	Over \$100,000 to \$300,000	102
	Over \$300,000 to \$500,000	151
	Over \$500,000 to \$1,000,000	939

The Trade and Industry Department (TID) has since 2017 included in its Controlling Officer's Report a target on the time required for processing applications under the BUD Fund, with a view to ensuring service performance. Since then, all applications could be passed to the Programme Management Committee for consideration within the target time (i.e. within 60 working days) upon the Secretariat's receipt of all the necessary documents and information.

The Financial Secretary announced in the 2023-24 Budget to launch "BUD Easy". We plan to launch "BUD Easy" in June 2023 to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly reduced by half as compared with the 60-working-day pledge for general applications of the BUD Fund.

We will also further streamline the procurement procedure requirements for the BUD Fund approved projects and allow enterprises not to submit quotations for procurement items with value of \$5,000 or below (the relevant ceiling is \$2,000 at the moment), so as to provide further facilitation to enterprises and lower their administrative cost. The relevant measure will be applicable to "BUD Easy" and general applications of the BUD Fund.

The estimated expenditure of the BUD Fund in 2023-24 is \$975 million, including manpower and other fees provided to the Hong Kong Productivity Council for operating the BUD Fund as well as disbursements to grantees. The manpower expenditure of the Commerce and Economic Development Bureau and TID to implement the BUD Fund has been subsumed under the respective overall establishment and estimated expenditure, and cannot be quantified separately.

In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$7 million, and the maximum number of approved projects per enterprise was also increased to 70. The cumulative number of projects approved for the beneficiaries under the BUD Fund is as follows:

<b>Cumulative number of approved projects</b>	<b>(A) (= (B)+(C)+(D))  Number of beneficiaries</b>	<b>(B)  Number of beneficiaries with projects of Mainland Programme approved only</b>	<b>(C)  Number of beneficiaries with projects of FTA and IPPA Programme approved only</b>	<b>(D)  Number of beneficiaries with projects of Mainland Programme and FTA and IPPA Programme approved at the same time</b>
1-5 projects	4 074	3 090	758	226
6-10 projects	26	10	0	16
11-20 projects	2	0	0	2
21-70 projects	0	0	0	0
<b>Total</b>	<b>4 102</b>	<b>3 100</b>	<b>758</b>	<b>244</b>

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB093**

**(Question Serial No. 2503)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (4) Broadcasting

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In “Matters Requiring Special Attention in 2023-24” under the subject Programme, it was mentioned that during the year, the Bureau “will continue to oversee Radio Television Hong Kong in fulfilling its mission as a public service broadcaster”. Article 10 of the National Security Law stipulates that “The Hong Kong Special Administrative Region shall promote national security education in schools and universities and through social organisations, the media, the internet and other means to raise the awareness of Hong Kong residents of national security and of the obligation to abide by the law.” In this connection, will the Government inform this Committee of the following:

- (a) Does the Government have new plans to promote national security education through different programmes of Radio Television Hong Kong (RTHK), with a view to enhancing public awareness of national security and of the obligation to abide by the law? If so, what are the details? If not, what are the reasons?
- (b) Does the Government have new policies to make clarifications through RTHK, besides the Information Services Department, on false accusations made by external parties on Hong Kong affairs, with a view to safeguarding national security and sovereignty? If so, what are the details? If not, what are the reasons?
- (c) Does the Government have new plans to introduce our nation's history, development and achievements through different programmes of RTHK, with a view to enhancing patriotic sentiments among the public, so that they would understand and tell good stories of China and Hong Kong? If so, what are the details? If not, what are the reasons?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 39)

Reply:

As a government department and the public service broadcaster, Radio Television Hong Kong (RTHK) is under the policy purview and housekeeping oversight of the Commerce and Economic Development Bureau (CEDB) and is abided by the public purposes and mission under the Charter of Radio Television Hong Kong (the Charter). CEDB, in accordance with the Charter, has all along been monitoring the overall programme production and editorial stance of RTHK for its full compliance with the functions and responsibilities of the public service broadcaster with a view to meeting public expectation. RTHK, led by the Director of Broadcasting as Editor-in-Chief, is responsible for implementing the overall programmes, including various programmes on promoting national security education, assisting in strengthening the dissemination of information for the government and telling good stories of China and Hong Kong. As regards telling good stories of China and Hong Kong, RTHK will enhance the cross-media multi-language broadcasting and programme content in all dimensions (including new informative programmes to showcase the premier business environment in Hong Kong, new English music programmes, new magazine programmes to present Hong Kong's cultural diversity, etc.) to keep expatriates in Hong Kong as well as people in the Mainland and overseas apprised of the latest developments and appeal of Hong Kong in various fields (e.g. finance and economies, investments, innovation and technology, culture and arts, education and daily life, etc.).

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB094**

**(Question Serial No. 2505)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 117 of the Budget Speech that Hong Kong is “actively seeking to join the Regional Comprehensive Economic Partnership (RCEP) in order to further help Hong Kong build a more comprehensive supply chain and attract more Hong Kong enterprises to invest in the member economies of RCEP, with a view to boosting the trade, investment and relevant development in the region, thereby enhancing Hong Kong’s status as a regional trade centre.” In this connection, will the Government inform this Committee of the following:

1. The Government formally submitted an application for accession to RCEP in mid-January last year. What is the progress of the application? What is the earliest possible time for Hong Kong to formally join RCEP?
2. While pending approval of the application, will the Government commence any preliminary work, such as publicising to local enterprises tariff concessions and export opportunities after accession to RCEP, so that our local enterprises can devise their commercial and operational plans in advance?
3. In order to enter into free trade agreements and comprehensive avoidance of double taxation agreements with more overseas economies, will the Government seek to proceed with the accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in parallel? If yes, what are the details? If no, what are the reasons?
4. The Hong Kong Economic and Trade Office (ETO) in Dubai has come into operation since October 2021 to strengthen economic and trade connections with the economies in the Middle East and attract enterprises there to do business in Hong Kong. Does the Government have any plan to establish more ETOs in the Middle East to assist Hong Kong enterprises in opening up target emerging markets over there? If yes, what are the details? If no, what are the reasons?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 41)

Reply:

Upon the entry into force of Regional Comprehensive Economic Partnership (RCEP)<sup>Note 1</sup> on 1 January 2022<sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong's formal accession request, and proactively made use of various regional fora to reiterate Hong Kong's keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices (ETOs) have also maintained close contact with trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

RCEP is an important milestone in regional economic integration. Joining RCEP will facilitate Hong Kong's participation in regional economic integration, and sustain and strengthen Hong Kong's vital strategic position as an international financial, trade and logistics centre. Moreover, it will contribute towards Hong Kong and the nation's trade relations with other places under international circulation, thereby contributing to regional economic integration. In 2021, the total bilateral merchandise trade between Hong Kong and RCEP member economies amounted to US\$857.1 billion, accounting for around 71% of Hong Kong's total merchandise trade; meanwhile, RCEP member economies are the primary destinations of Hong Kong's outward foreign investment, amounting to more than 60% (66.7%) of our total outward foreign investment. Hong Kong's prospective RCEP membership would further complement supply chain developments in the region, attract more Hong Kong businesses to invest in RCEP member economies, invigorate regional merchandise trade, investment and relevant infrastructure developments, thus enhancing Hong Kong's status as a regional trade centre.

The HKSAR Government will make use of various platforms, such as the Trade and Industry Advisory Board, to introduce the opportunities brought about by RCEP in deepening regional economic and trade cooperation, and to discuss promotional and supporting measures with the relevant business organisations, so as to allow Hong Kong businesses to effectively seize novel business prospects brought about by RCEP. Moreover, the Hong Kong Trade Development Commission has recently launched and published a thematic study of RCEP,

providing relevant information to Hong Kong businesses and firms. As of now, Hong Kong's accession request is still being considered by the member economies, thus our priority remains in stepping up lobbying efforts to secure the support of member economies. Tariff reductions and other detailed arrangements upon joining RCEP will be negotiated and confirmed in later discussions. When appropriate, the HKSAR Government will make announcements and conduct the promotional work in due course. We will continue to formulate work plans according to the practical situation, and relevant departments will effectively follow-up on matters relating to RCEP as usual.

To help Hong Kong enterprises and investors expand their markets, the HKSAR Government has strived to strengthen the economic and trade ties with other economies and actively sought to forge Free Trade Agreements (FTAs) and Investment Promotion and Protection Agreements (IPPAs) with more trading partners, thereby promoting the long-term economic development of Hong Kong. The HKSAR Government has signed 8 FTAs with 20 economies<sup>Note 3</sup> and signed 22 IPPAs with 31 overseas economies<sup>Note 4</sup>, covering most of Hong Kong's major trading partners. In terms of FTAs, the policy priority of the HKSAR is to strive to join RCEP, while negotiations with Peru are already ongoing. We will continue to devote our best efforts towards the relevant work. We will also continue to monitor the negotiations of bilateral and plurilateral FTAs of other economies, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and continue to, on the basis of Hong Kong's trade interest and needs, formulate relevant policies.

The ETO in Dubai (Dubai ETO) is our first ETO in the Middle East region and commenced operation in late October 2021. Its opening is conducive to strengthening Hong Kong's economic and trade relations with trading partners in the region, in particular the member states of the Cooperation Council for the Arab States of the Gulf<sup>Note 5</sup>, while enhancing our ability to promote and explain the HKSAR Government's various important policies. Apart from that, Dubai ETO co-operated and assisted with the Chief Executive and his delegation's visit in February 2023 to the Middle East region. The visit was conducive to enhancing connections with various sectors in the region and uncovering more opportunities for our businesses and professional sectors. The HKSAR Government will continue to, on the basis of Hong Kong's trade interest and needs, proactively explore the feasibility and relevant details in setting up ETOs in various countries, so as to continually develop Hong Kong's global trade network.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory States (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

Note 3: Hong Kong has signed 8 FTAs with 20 economies, including Mainland China (2003), New Zealand (2010), Member States of the European Free Trade Association (EFTA, i.e. Iceland, Liechtenstein, Norway and Switzerland) (2011), Chile (2012), Macao SAR (2017), ASEAN (2017), Georgia (2018), and Australia (2019). All FTAs have come into force.



Note 4: Hong Kong has signed 22 IPPAs with 31 overseas economies, including ASEAN, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, Netherlands, New Zealand, Sweden, Switzerland, United Arab Emirates (UAE), and the United Kingdom. All IPPAs have come into force.

Note 5: The member states of the Council are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB095**

**(Question Serial No. 2541)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Bureau is responsible for, amongst others, attracting investors and encouraging them to invest in Hong Kong as well as promoting Hong Kong's many advantages as an investment and business hub in Asia. In this connection, will the Government inform this Committee of:

1. the work carried out by the Bureau to promote Hong Kong's advantages in investment and business in the past 3 years, the expenditure involved and its effectiveness?
2. any specific plan to promote investment and business in Hong Kong in the coming year now that we have emerged from the epidemic and are progressing along the path to normalcy, and the estimated expenditure involved?
3. whether the Bureau will step up its efforts in 2023-24 to promote Hong Kong's advantages in investment and business in the light of the development in the changing China-US trade relations, and if so, the details of its plan and the expenditure involved, and if not, the reasons?

Asked by: Hon TANG Fei (LegCo internal reference no.: 28)

Reply:

The current-term Government attaches great importance to attracting enterprises and investments to Hong Kong. The Commerce and Economic Development Bureau (CEDB) formulates policies to attract external direct investments into Hong Kong, oversees the work of Invest Hong Kong (InvestHK) in attracting overseas and Mainland enterprises to set up and expand their businesses in Hong Kong, as well as oversees the policy work related to the overseas Hong Kong Economic and Trade Offices (ETOs).

For the past few years, despite the global uncertainties and challenges brought about by the COVID-19 pandemic, geopolitical tensions and external economic conditions, InvestHK has been dynamically adjusting its investment promotion strategies by leveraging digital platforms to reach out to stakeholders in both traditional and emerging markets, and attract companies to invest and set up their businesses in Hong Kong.

When the Government started relaxing anti-epidemic measures in September 2022 and organising multiple major international events in October 2022, InvestHK has already stepped up its engagement efforts with overseas and Mainland companies across all sectors to gauge their sentiments, find out their concerns and needs, provide updates on Hong Kong's latest business opportunities and offer appropriate support. The full resumption of cross-boundary travel with the Mainland since February 2023 and lifting of the mask mandate from March 2023 further enabled InvestHK to bring its engagement efforts to the next level, including identifying target companies that might have relocated some or all of their operations from Hong Kong earlier due to COVID-19 and providing the necessary support to facilitate their businesses to return to Hong Kong.

So far, we have been seeing increased interest of potential investors from the Mainland and overseas to set up or expand their businesses in Hong Kong. Going forward, InvestHK will continue to reach out to a wide spectrum of companies in different sectors around the world through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents in the ETOs and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting overseas and Mainland companies to set up and expand their businesses in Hong Kong.

Our ETOs will also proactively support and participate in meetings and fora organised by local governments, business organisations and groups, assist in arranging overseas visits of the Chief Executive and Hong Kong Special Administrative Region officials, build and entrench networks with various sectors and hold an array of events in their localities to facilitate their promotional work and tell the good stories of Hong Kong, so as to strengthen the trade ties between Hong Kong and other regions.

The aforementioned work is part of the routine work of CEDB, InvestHK and ETOs. The expenditures and estimates on the above items are subsumed under CEDB, InvestHK and ETOs' recurrent expenditure, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB096****(Question Serial No. 1714)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the specific work and progress of the Commerce and Economic Development Bureau in seeking the accession of Hong Kong to the Regional Comprehensive Economic Partnership (RCEP)? Does the Government expect Hong Kong to be able to join RCEP within 2023 or not?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 17)

Reply:

Upon the entry into force of Regional Comprehensive Economic Partnership (RCEP)<sup>Note 1</sup> on 1 January 2022<sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong's formal accession request and actively made use of various regional fora to reiterate Hong Kong's keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices have also maintained close contact with trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory State (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB097****(Question Serial No. 1715)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On the implementation of the Professional Services Advancement Support Scheme, what are the specific work and relevant expenditure incurred by the Commerce and Economic Development Bureau since 2020? What are its specific work plans and performance indicators, as well as the estimated expenditure for the coming 3 years?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 19)

Reply:

The Professional Services Advancement Support Scheme (PASS) aims at funding non-profit-making industry-led projects to increase exchanges and co-operation between Hong Kong's professional services and external counterparts, promote relevant publicity activities, and enhance the standards and external competitiveness of Hong Kong's professional services. Since 2020, a total of 36 projects were funded under PASS with a total grant of about \$24 million. In addition, with a view to stepping up the promotion of Hong Kong's competitive edges and professional services to the Mainland and overseas markets, the Government has set aside \$50 million for the Professionals Participation Subsidy Programme (PSP) under the PASS to subsidise Hong Kong's major professional bodies to participate in relevant activities organised by the Government (such as Hong Kong Economic and Trade Offices) and the Hong Kong Trade Development Council after the pandemic situation has stabilised. As the pandemic has gradually stabilised and cross-boundary anti-epidemic measures have been gradually relaxed in the second half of last year, PSP has already subsidised professionals to participate in 3 activities held in New York, Jakarta and Bangkok in October 2022, February and March 2023 respectively. We will continue to encourage eligible organisations and Hong Kong professionals to make use of the financial support from PASS to carry out projects and participate in relevant activities.

The overall estimated expenditure for PASS in 2023-24 is about \$17 million. The estimated expenditure for PASS in 2024-25 or afterwards will depend on number of applications received and approved, scale of approved projects and activities, project duration and number of eligible participants for the activities.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB098**

**(Question Serial No. 1716)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the measures implemented by the Commerce and Economic Development Bureau through the Convention and Exhibition Industry Subsidy Scheme under the Anti-epidemic Fund during the COVID-19 epidemic, what were the details, the expenditures involved and the effectiveness of such measures? Regarding the Government's effort to promote the convention and exhibition industry in the coming 3 years, what are the specific work plans, the estimated expenditures involved and the key performance indicators of the measures to be adopted?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 20)

Reply:

The Government launched the Convention and Exhibition Industry Subsidy Scheme in October 2020 with a total commitment of \$1,070 million to reinvigorate the convention and exhibition industry. As at 28 February 2023, the Scheme provided a total subsidy of about \$648 million to 236 exhibitions. In addition, the Government allocated about \$41 million of the Scheme's funding in the fourth quarter of 2021 to provide a one-off immediate relief to private organisers of 73 exhibitions to help them cope with the impact of the prolonged postponement or cancellation of exhibitions under the pandemic.

The Scheme will end on 30 June 2023. Thereafter, the Government will launch the \$1.4-billion Incentive Scheme for Recurrent Exhibitions on 1 July for 3 years to attract exhibitions to be recurrently staged in Hong Kong through the provision of financial incentives. It is expected to provide incentives to over 200 exhibitions.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB099****(Question Serial No. 2841)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau (CEDB) officially launched the Real-name Registration Programme for Subscriber Identification Module Cards in February this year. In addition to this, will the CEDB introduce any specific policy initiatives to combat telecommunications frauds, and set key performance indicators (KPIs) for such policy initiatives? If yes, what are the details of these specific policy initiatives and their KPIs; if not, what are the reasons?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 47)

Reply:

Deception is a serious criminal offense enforced against by the Police. In recent years, the Office of the Communications Authority (OFCA) has been committed to combating telephone deception jointly with the Police so as to safeguard the integrity of telecommunications services and the security of communications networks, and maintain social order. Since August 2015, OFCA has required mobile network operators (MNOs) to insert a “+” sign (such as “+852”) for all incoming calls originating from outside Hong Kong in the calling number display of mobile phones, so as to enable the public to identify incoming calls originating from outside Hong Kong which are masqueraded as a local Hong Kong number and hence one should stay vigilant in answering the call.

In view of the marked prevalence of phone deception, OFCA has taken the lead to establish a dedicated working group with the Police and MNOs in September last year to discuss how to step up efforts in combating this kind of calls on the telecommunications front. New measures adopted by the working group include:

- Before the end of April this year, MNOs will provide voice/text alerts for incoming calls starting with “+852” to target at incoming calls originating from outside Hong Kong but masqueraded as a local Hong Kong number with “+852” for reminding members of the public to be more vigilant when answering these calls. OFCA will produce TV announcements to introduce this new measure.
- OFCA also updated the “Code of Practice in relation to Calling Line Identification and Other Calling Line Identification Related Services” in February this year to provide MNOs with practical guidance to block some suspicious calls starting with “+852”.
- The MNOs have established a communication protocol with the Police to, based on the information provided by the Police, block suspicious calls and suspend the telecommunications services of local mobile phone numbers which are suspected of being used for phone deception.

Besides, the Real-name Registration Programme for Subscriber Identification Module (SIM) Cards (Real-name Registration Programme) has been fully implemented on 24 February 2023. All SIM cards issued locally must have their real-name registration completed before usage. The Real-name Registration Programme seeks to plug the loophole arising from the anonymous nature of pre-paid SIM (PPS) cards to assist law enforcement agencies in the detection of crimes involving the use of PPS cards, including telephone deception. Members of the public should report to the Police immediately if they have received any suspicious calls. The Police and OFCA will continue to strengthen related public education.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB100****(Question Serial No. 0310)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (HKTDC) will hold more than 10 major conferences and exhibitions and the Government will continue to co-organise the annual Belt and Road (B&R) Summit with the HKTDC to actively promote Hong Kong as a functional platform and a key link for the B&R Initiative.

Regarding major international conferences to be held, what is the total number and what are the detailed breakdowns of relevant expenditures? Has the Government made an estimate of the total expenditure on such events? As for the additional government funding of \$200 million, how will the HKTDC make use of it and what are the specific plans and objectives?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 1)

Reply:

The Hong Kong Trade Development Council (HKTDC) held or will hold more than 10 major conferences and exhibitions from March to June this year, expecting over 500 000 participants. The events are listed below:

<b>Event name</b>	<b>Date (Physical fair)</b>
Hong Kong International Jewellery Show	1-5 March
Hong Kong International Diamond, Gem & Pearl Show	1-5 March
EntertainmentPulse	13-16 March
FILMART	14-17 March
eTailingPulse	15 March
MarketingPulse	15 March
Hong Kong Electronics Fair (Spring Edition)	12-15 April
InnoEx	12-15 April

<b>Event name</b>	<b>Date (Physical fair)</b>
Hong Kong International Lighting Fair (Spring Edition)	12-15 April
Asian Licensing Conference	19-21 April
Hong Kong International Licensing Show	19-21 April
Fashion InStyle	19-22 April
Home InStyle	19-22 April
Hong Kong International Home Textiles and Furnishings Fair	19-22 April
Hong Kong International Printing & Packaging Fair	19-22 April
Hong Kong Gifts & Premium Fair	19-22 April
Hong Kong International Medical and Healthcare Fair	16-18 May
Asia Summit on Global Health	17-18 May

The Government will provide additional funding totalling \$550 million to the HKTDC in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development and tap into emerging markets, as well as to step up global promotional efforts. The above areas will also be integrated into various flagship conferences, while “Deal Flow” matchmaking session and business matching service will be enhanced to unlock market opportunities for Hong Kong enterprises and investors.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB101**

**(Question Serial No. 0312)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of digital infrastructure, the Government has proposed to provide tax deduction for the spectrum utilisation fees to be paid by successful bidders of radio spectrum.

Has the Government estimated the amount of spectrum to be auctioned in the coming 3 years; what is the amount of tax deductible? Will the authorities concerned consider setting up matching funds or providing medium- and long-term low-interest loans by the Government to support relevant enterprises in accelerating the construction of infrastructure facilities such as 5G base station networks with a view to promoting the development of Internet of Things?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 3)

Reply:

To encourage telecommunications network operators' more active investment in infrastructure for providing better communication services to companies and the public, the Budget has proposed to provide tax deduction for the spectrum utilisation fees (SUF) to be paid by the future successful bidders of radio spectrum. The Commerce and Economic Development Bureau is actively knocking out details with relevant departments with a view to implementing the proposal as soon as possible.

We have been providing suitable spectrum in a timely manner for the development of telecommunications services in response to market demands. According to the Spectrum Release Plan promulgated by the Office of the Communications Authority in February this year, not less than 160 MHz of spectrum will be assigned through auctions in the coming 3 years, and the SUF will vary with the characteristics of different spectrum and be determined by auctions. Hence, the final tax deduction amount cannot be estimated at present.

To encourage telecommunications operators to expedite the installation of 5G radio base stations (RBS), the Government will continue to implement a series of measures, including amending the Telecommunications Ordinance (Cap.106) and relevant guidelines to ensure that appropriate space is made available in new buildings for installation of mobile communications facilities, opening up suitable Government premises to facilitate mobile network operators to install RBS at a nominal rent of HK\$1 per year, providing financial incentives through a subsidy scheme to encourage fixed network operators to extend fibre-based networks to villages in remote areas, as well as promoting early deployment of 5G technology by public and private institutions, etc., with a view to facilitating 5G mobile network development.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB102**

**(Question Serial No. 0314)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget that the Government will explore and tap emerging markets such as ASEAN, the Middle East, Central Asia and Africa while maintaining ties with the European and American markets.

As the Government has to maintain ties with the European and American markets as well as emerging markets such as ASEAN, the Middle East, Central Asia and Africa, will the Government advise this Committee of the relevant work to be done in exploring these markets, including which emerging markets have been selected for setting up new Economic and Trade Offices, as well as the details about the planned establishment of such offices and recruitment of staff?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 5)

Reply:

To strengthen Hong Kong's trade and economic relations with other places, the HKSAR Government has proactively expanded our network of overseas Economic and Trade Offices (ETOs), and strived to maintain close communication and contact with overseas interlocutors from different sectors and the international community, so as to explain the HKSAR Government's major policies, promote our unique status under "One Country, Two Systems" and our multi-faceted advantages, as well as the abundant opportunities brought about by the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development.

The HKSAR Government has set up 3 ETOs in the ASEAN region, in Bangkok, Jakarta and Singapore respectively, with an aim to strengthen the bilateral relations between Hong Kong and the 10 ASEAN Member States. The 3 ETOs maintain close liaison with local government officials, business chambers and media institutions, and hold or co-organise various promotional events with other Hong Kong agencies, so as to encourage foreign capital

and enterprises to leverage Hong Kong as a springboard to enter the Mainland market. In addition, the ASEAN Secretariat is located in Jakarta. Having the ETO in Jakarta facilitates the communication with the Secretariat. It will also, in conjunction with the Singapore and Bangkok ETOs, continue to enhance Hong Kong's representative network in Southeast Asia. Since their establishment, the ETOs have proactively developed closer relations with ASEAN countries. The ETOs conduct and invite individuals from local government and business sectors to attend various promotional events, such as Chinese New Year dinners, business seminars and so on, so as to promote business opportunities in Hong Kong.

Through the coordination and arrangement of the Bangkok ETO, the Chief Executive (CE) and the Secretary for Commerce and Economic Development (SCED), while attending the APEC Economic Leaders Meeting in November 2022, conducted a business visit and told good stories of Hong Kong in Thailand alongside the Hong Kong business delegation, with an aim to encourage Thai businesses to develop in Hong Kong and amplify their investments and trade. SCED also attended a business seminar cum luncheon in Bangkok during the visit, and introduced to the local business sector the linkage between Hong Kong, the Mainland market and the national strategies for development, especially Hong Kong's incomparable advantages and boundless opportunities brought about by the B&R Initiative and the GBA development. The Jakarta ETO held a business conference and reception in May in Kuala Lumpur, Malaysia, to promote Hong Kong's position as a key springboard to enter the Mainland market. In particular, these advantages have been magnified by the B&R Initiative and the GBA strategy. In October, the Singapore ETO conducted a business seminar in Ho Chi Minh City, Vietnam, to introduce to the Vietnamese business sector the means to take advantage of Hong Kong's position as a strategic entry point to the GBA strategy. The three ASEAN ETOs will continue to co-operate with and assist the HKSAR Government Principal Officials to visit countries in ASEAN, and devote their best efforts towards promotional work, so as to maximise the trade and economic developments between Hong Kong and ASEAN.

In terms of supporting local businesses, the Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tap into emerging markets, as well as to step up global promotional efforts. With the ASEAN and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance the promotion such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.

The Government provides various funding schemes to assist enterprises in exploring more diversified markets. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises (SMEs) to develop business in 37 economies with which Hong Kong has signed



Free Trade Agreements and/or Investment Promotion and Protection Agreements (including the ASEAN market). Further to the increase of the cumulative funding ceiling per enterprise to \$7 million in November 2022, the Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch “BUD Easy” to expedite the vetting of applications involving a funding amount of \$100,000 or below. In addition, the SME Export Marketing Fund (EMF) provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million and has extended the special measure to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the “local market”, as well as relaxing the eligibility criteria to cover non-SMEs. As at end February, over 830 applications targeting the ASEAN market had been approved under the BUD Fund, involving a funding amount of over \$521 million; over 3 150 applications targeting the ASEAN market had been approved under the EMF, involving a funding amount of over \$62.54 million.

In the Middle East region, the ETO in Dubai (Dubai ETO) is our first ETO in the area and commenced operation in late October 2021. Its opening is conducive to strengthening Hong Kong's economic and trade relations with trading partners in the region, in particular the member states of the Cooperation Council for the Arab States of the Gulf<sup>Note</sup>, while enhancing our ability to promote and explain the HKSAR Government's various important policies. Apart from that, the Dubai ETO coordinated with and assisted the CE and his delegation's visit in February 2023 to the Middle East region. The visit was integral to deepening connections with various sectors in the region and uncovering more opportunities for our businesses and professional sectors. The Dubai ETO will continue to engage in the relevant work, including proactively liaising with individuals from the government, business and industrial sectors, developing cordial relations and exploring co-operation opportunities, so as to promote Hong Kong's advantages and newest development; and, through webinars and meeting with government departments and business chambers, encourage local businesses to develop in Hong Kong. Concurrently, the Dubai ETO has co-operated with the HKTDC and Invest Hong Kong (InvestHK) to expedite the aforementioned work, with an aim to holistically promote Hong Kong's business opportunities in the Middle East region.

On investment promotion, InvestHK has been reaching out to a wide spectrum of companies in different sectors around the world through the teams based in Hong Kong the Dedicated Teams for Attracting Businesses and Talents in the ETOs and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting overseas and Mainland companies to set up and expand their businesses in Hong Kong. Through collaboration with relevant stakeholders, chambers of commerce, and professional bodies, etc., InvestHK will continue to roll out an array of investment promotion activities in these developing markets, including meetings, conferences, roadshows, seminars, exhibitions, etc. to proactively tell the good stories of Hong Kong and showcase the immense business opportunities brought by national strategies, including the National 14th Five-Year Plan, the GBA Development and the B&R Initiative, to the international business communities. For example, in order to encourage companies from developing markets to leverage the capital market of and list in Hong Kong, InvestHK and Hong Kong Exchanges and Clearing Limited are planning to co-host a series of promotion activities, to introduce the latest developments of the city's securities market as well as its unrivalled advantages as an international financial centre.

The HKSAR Government will continue to, on the basis of Hong Kong's trade interest and needs, proactively explore the feasibility and relevant details in setting up ETOs in various countries, so as to continually develop Hong Kong's global trade network.

Note: The member states of the Council are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB103**

**(Question Serial No. 0315)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated 20 directorate posts as at 31 March 2023 will be reduced by 1 post to 19 posts as at 31 March 2024.

Please advise on the post to be deleted, the reasons for the deletion and the savings that can be achieved. As the society is moving towards recovery, it is time to strengthen the publicity efforts in promoting Hong Kong to the world, and to boost the economy. Is there any plan to increase manpower through different means? If no, what are the reasons; if yes, what are the details?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 6)

Reply:

The estimated 20 directorate posts as at 31 March 2023 in the Commerce and Economic Development Bureau (CEDB) include an Administrative Officer Staff Grade C post created in April 2018 for 5 years, who is responsible for providing policy and management support to the Belt and Road Office during its initial establishment. This post and the related time-limited provision will lapse in late April 2023.

Moreover, the CEDB will leverage opportunities arising from the post-pandemic recovery and plan various activities, including overseas visits, to connect to the world and grasp Belt and Road (B&R) business opportunities. Such include the planning of a business mission for B&R related enterprises based in Hong Kong to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance their understanding of the development and related opportunities of the Mainland (particularly the GBA), thereby performing our role as “facilitator” in our country’s international circulation. We will also organise professional mission(s) to B&R related countries and regions with a focus on emerging markets in the Association of Southeast Asian Nations and the Middle East, etc.

To further assist Hong Kong enterprises and investors in opening up markets, the CEDB will also provide additional funding of \$550 million in total to the Hong Kong Trade Development Council in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets as well as stepping up our global promotional efforts.

In addition, on strengthening investment promotion, Invest Hong Kong has been allocated additional recurrent funding of around \$90 million in phases starting 2022-23 under Head 79, for implementing proactive and forward-looking promotion strategies at key global target markets, increasing manpower, strengthening Hong Kong's investment promotion network in the Mainland and overseas, engaging new consultants to tap into emerging markets such as Africa and Central Asia, and consolidating investment promotion efforts in priority sectors.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB104**

**(Question Serial No. 0316)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (5) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated by the Government, it will review the way forward of the legislative proposal to stipulate a statutory cooling-off period for certain consumer contracts, having regard to the prevailing economic situation and consumption sentiment.

Given the prevailing economic situation and consumption sentiment, does the Government consider it appropriate to review the legislation of a cooling-off period; if not, when will a review be expected to conduct? What resources will be considered for conducting a review?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 7)

Reply:

The Commerce and Economic Development Bureau (CEDB) launched a three-month public consultation in 2019 to solicit views on the proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts through legislation. However, shortly after the completion of the public consultation, there have been drastic changes in social environment, economic situation and consumption sentiment since the second half of 2019. Therefore, we need to, having regard to the prevailing circumstances including the economic situation, critically review the relevant proposal, before deciding the way forward. In the meantime, the Customs and Excise Department will continue to strengthen enforcement to combat unfair trade practices in contravention of the Trade Descriptions Ordinance.

The staffing and expenditure of the CEDB in relation to handling the relevant review work have been subsumed within its establishment and provision, and it is difficult to quantify them separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB105****(Question Serial No. 0317)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The 2 indicators under “trade publications” are replaced by “no. of new registered users” and “no. of visits to online sourcing platform” under the “trade portal (hktcdc.com)”.

In view of the above, please advise on the number of indicators under “trade publications”, the deployment of staff and resources previously involved in such work following its replacement by hktcdc.com, and the annual expenditure required for hktcdc.com. With the wide use of online information, will the Government invest more resources in hktcdc.com? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 8)

**Reply:**

The Hong Kong Trade Development Council (HKTDC) has always evolved with the times, providing the most relevant services based on the latest market trends and industry needs. In view of pandemic situation and the demand for business development under the new norm, the HKTDC earlier moved its focus from physical publication to digital media, and merged its “Publication & E-Commerce Department” and “Exhibition Department” into “Exhibition and Digital Business Department” to create greater synergy.

The sourcing platform of “hktcdc.com” brings together 2 million buyers and 130 000 suppliers from around the world, facilitating more than 24 million business connections every year. After the upgrade in October 2020, the sourcing platform of “hktcdc.com” adopts technology to better serve buyers’ purchasing needs and provide a better user experience and more precise business matching, thereby extending face-to-face interactions at physical exhibitions to online smart business matching for Hong Kong enterprises to connect with potential business partners proactively. In 2022, the number of newly registered users of “hktcdc.com” exceeded 113 000 and the number of visits to the sourcing platform totalled nearly 13 million, representing an increase of 26% and 5% year-on-year respectively.

The HKTDC also launched the new exhibition hybrid model “EXHIBITION+” in 2022-23, which combines four key elements of exhibitions, including physical exhibition, Click2Match business matching, the Intelligence Hub providing online and offline seminars and forums as well as the sourcing platform of “hktdc.com”, supporting the Hong Kong enterprises to explore business opportunities in all aspects.

The above work has been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB106****(Question Serial No. 0318)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The work of the Hong Kong Trade Development Council (HKTDC) in this financial year includes promoting Hong Kong as a multifaceted investment, trade, innovation and cultural hub to the international audience. Please advise on the resource allocation for the promotion work. As ASEAN is an important trading partner of Hong Kong as well as an emerging market of sizeable scale, will the Government invest additional resources in proactively promoting trade collaboration with ASEAN and what specific publicity and promotion efforts will be made to this end?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 9)

**Reply:**

The Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development and tap into emerging markets, as well as to step up global promotional efforts.

With the Association of Southeast Asian Nations (ASEAN) and broader Regional Comprehensive Economic Partnership (RCEP) markets continuing to be the focus, the HKTDC will step up its efforts to promote the Hong Kong brands as well as facilitate business opportunities. The HKTDC will make use of its major trade fairs and industry conferences in Hong Kong to strengthen the participation of RCEP markets including ASEAN economies and ramp up business matching between RCEP, Mainland and Hong Kong exhibitors and buyers. For outbound programmes, the HKTDC will also enhance promotion efforts such as joining trade fairs in key RCEP markets like Japan, Indonesia, Malaysia and Vietnam, while launching market communications in local language to Japanese and Korean businesses to keep them up-to-date on developments and opportunities in Hong Kong, the GBA and the Mainland.



The above work has been subsumed under the overall estimated expenditure of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB107**

**(Question Serial No. 0340)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Cross-border e-commerce, one of the key areas of Hong Kong's future development, requires further support from the Government. In this connection, please inform this Committee of the following:

1. whether additional resources and manpower were allocated to help Hong Kong's micro, small and medium enterprises (MSMEs) develop cross-border business via e-commerce in the past 3 years; if yes, the details; and
2. whether the current subsidy policy will be reviewed for its effectiveness in promoting e-commerce, taking into account the latest situation; if yes, the improvement measures to be introduced; if no, the reasons.

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 31)

Reply:

The Innovation, Technology and Industry Bureau is committed to promoting the adoption of e-commerce by small and medium enterprises (SMEs) and assisting enterprises in developing digital support facilities as well as carrying out upgrade and transformation. For example, the Technology Voucher Programme funds local enterprises in using technological services and solutions which include big data and cloud-based analytics solutions, cyber security solutions, enterprise resource planning solutions, logistics management systems and e-commerce platforms, etc. They are all conducive to the development of e-commerce by SMEs.

The Hong Kong Productivity Council (HKPC) regularly organises training and activities related to information technology and e-commerce for SMEs and introduces the latest technology development and applications. HKPC has also introduced a free one-stop digital transformation solutions platform, entitled "Digital DIY Portal", that brings together digital

transformation solutions, digital and innovation information and success cases of digital transformation in businesses in order to assist local SMEs in embarking on digital transformation.

In respect of the work of the Commerce and Economic Development Bureau in supporting SMEs, we provide various funding schemes to assist enterprises in enhancing their competitiveness, including using electronic channels for product promotion. Among them, the funding scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales covers the support to enterprises in developing e-commerce and integrating online-offline modes of sales and marketing, such as establishing online sales platforms, setting up online shops on third-party online sales platforms, incorporating electronic payment functions into their websites, and developing mobile applications, etc. In addition, the SME Export Marketing Fund provides funding support to local enterprises to participate in and conduct export promotion activities through electronic platforms or media.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB108**

**(Question Serial No. 0341)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government stated that it has always strived to forge Free Trade Agreements and Investment Agreements with more economies and will continue to promote the relevant work in a proactive manner. Please inform this Committee of the following:

1. What were the economic benefits brought about by the Free Trade Agreements and Investment Agreements forged between Hong Kong and other economies in the past 3 years?
2. What are the economies with which the Government is negotiating for Free Trade Agreements and Investment Agreements?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 32)

Reply:

The HKSAR Government is committed to strengthening trade and commercial connections with other economies and has been actively seeking to forge free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs), with a view to assisting Hong Kong enterprises and investors in market expansion and injecting new impetus into Hong Kong's trade development. Hong Kong has so far signed 8 FTAs with 20 economies <sup>Note 1</sup> and 22 IPPAs with 31 overseas economies <sup>Note 2</sup>, covering most of Hong Kong's major trading partners. Hong Kong is now negotiating an FTA with Peru. On IPPAs, respective negotiations with Myanmar and Türkiye have been concluded and the agreements will be signed upon completion of internal procedures on both sides. At the same time, we are working intensively to conclude the negotiations with Bahrain, and will commence negotiations with Saudi Arabia.

We do not have separate statistics directly showing the economic benefits brought about by the FTAs and IPPAs forged between Hong Kong and other economies. The total merchandise trade between Hong Kong and FTA and IPPA partners in the last 3 years are as follows.

	(HK\$ billion)		
	2020	2021	2022
Total merchandise trade (percentage share to the overall total merchandise trade)	6,744.7 (82.3%)	8,430.0 (82.1%)	7,616.5 (80.5%)

Note 1 : Hong Kong has so far signed 8 FTAs with 20 economies. The economies are Mainland China, New Zealand, the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland), Chile, Macao SAR, the 10 Member States of the Association of Southeast Asian Nations (ASEAN), Georgia and Australia. All FTAs have entered into force.

Note 2 : Hong Kong has so far signed 22 IPPAs with 31 overseas economies. The economies are the 10 ASEAN Member States, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, the United Arab Emirates and the United Kingdom. All IPPAs have entered into force.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB109****(Question Serial No. 0342)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The Government mentioned that it will strengthen commercial exchanges with the Association of Southeast Asian Nations to enhance the strategic positioning of both the nation and Hong Kong in global and regional trade, and promote Hong Kong's participation in regional economic integration. In this connection, please advise this Committee of the following:

1. the specific work plan and the expenditure involved; and
2. whether there are specific indicators for evaluating the work; and if yes, the details; if no, the reasons.

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 33)

**Reply:**

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. To further consolidate trade relations between Hong Kong and ASEAN, the two parties signed a Free Trade Agreement and an Investment Agreement in 2018. Both Agreements came into full force in February 2021. In September 2022, the Secretary for Commerce and Economic Development (SCED) personally travelled to Cambodia to co-chair the 6th ASEAN Economic Ministers-Hong Kong, China Consultations with the Minister of Commerce of Cambodia. The parties discussed the implementation progress of the Agreements and relevant matters, and agreed to continually deepen trade and economic co-operation. SCED also took the opportunity to meet with the local business sector, promote business opportunities in Hong Kong, and visited Hong Kong enterprises with an aim to understand their operations and development, and the investment prospects of Cambodia. The next Consultation is scheduled to be held in August 2023 in Indonesia.

The HKSAR Government plans to send representatives to attend the meeting. We will continue to maintain close liaison with our ASEAN partners to create more opportunities for co-operation.

In addition, the 10 ASEAN Member States (AMS) are all Members of the Regional Comprehensive Economic Partnership (RCEP). To foster Hong Kong's participation in regional economic integration, and maintain and enhance Hong Kong's important strategic position as an international financial, trade, logistics centre, and deepen trade and economic relations between Hong Kong and the AMS, the HKSAR Government has, after RCEP came into force on 1 January 2022, promptly lodged Hong Kong's formal request to join RCEP. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive (CE) met with the leaders of Indonesia, Singapore and Thailand whereas the SCED met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade offices (ETOs) have also maintained close contact with trade ministries of RCEP member economies, especially those of the AMS, to create favourable conditions for our accession as early as possible.

The HKSAR Government has set up 3 ETOs in the ASEAN region, in Bangkok, Jakarta and Singapore respectively, with an aim to strengthen the bilateral relations between Hong Kong and the 10 AMS. The 3 ETOs maintain close liaison with local government officials, business chambers and media institutions, hold or co-organise various promotional events with other Hong Kong agencies, so as to encourage foreign capital and enterprises to leverage Hong Kong as a springboard to enter the Mainland market. In addition, the ASEAN Secretariat is located in Jakarta. Having the ETO in Jakarta facilitates the communication with the Secretariat. It will also, in conjunction with the Singapore and Bangkok ETOs, continue to enhance Hong Kong's representative network in Southeast Asia. Since their establishment, the ETOs have proactively developed closer relations with ASEAN countries. The ETOs conduct and invite individuals from local government and business sectors to attend various promotional events, such as Chinese New Year dinners, business seminars and so on, so as to promote business opportunities in Hong Kong.

Through the coordination and arrangement of the Bangkok ETO, the CE and the SCED, while attending the APEC Economic Leaders Meeting in November 2022, conducted a business visit and told good stories of Hong Kong in Thailand alongside the Hong Kong business delegation, with an aim to encourage Thai businesses to develop in Hong Kong and amplify their investments and trade. SCED also attended a business seminar cum luncheon in Bangkok during the visit, and introduced to the local business sector the linkage between Hong Kong, the Mainland market and the national strategies for development, especially Hong Kong's incomparable advantages and boundless opportunities brought about by the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development. The Jakarta ETO held a business conference and reception in Kuala Lumpur, Malaysia, to promote Hong Kong's position as a key springboard in entering the Mainland Chinese market. In particular, these advantages have been magnified by the B&R Initiative

and the GBA strategy. In October, the Singapore ETO conducted a business seminar in Ho Chi Minh City, Vietnam, to introduce to the Vietnamese business sector the means to take advantage of Hong Kong's position as a strategic entry point to the GBA strategy. The 3 ASEAN ETOs will continue to co-operate with and assist the HKSAR Government Principal Officials to visit countries in ASEAN, and devote their best efforts towards promotional work, so as to maximise the trade and economic developments between Hong Kong and ASEAN.

In terms of supporting local businesses, the Government will provide additional funding totalling \$550 million to the Hong Kong Trade Development Council (HKTDC) in the 5 financial years starting from 2023-24. The additional funding aims to help Hong Kong enterprises seize opportunities arising from the B&R Initiative and the GBA development and tap into emerging markets, as well as to step up global promotional efforts. Through overseas promotions, organisation of outbound missions and participation in overseas fairs, the HKTDC helps Hong Kong businesses in the product and services sectors go global and explore the ASEAN market. For example, the HKTDC organised a business delegation led by the CE to visit Bangkok, Thailand in November 2022, bringing over 20 representatives from major chambers of commerce and various industries from Hong Kong to meet with local officials and the business community to promote Hong Kong's important role under the framework of ASEAN and RCEP. The HKTDC also organised different industry events in Indonesia and Thailand this year, including the large-scale promotion event "Building for the Future" in Indonesia in February to capture business opportunities for the infrastructure and real estate-related services sectors, and the joint event with the Department of Justice on "Resolve2Win" in Bangkok, Thailand in March to showcase Hong Kong's strength as a leading centre for international legal and dispute resolution services.

The Government provides various funding schemes to assist enterprises in exploring more diversified markets. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises (SMEs) to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements (including the ASEAN market). Further to the increase of the cumulative funding ceiling per enterprise to \$7 million in November 2022, the Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below. In addition, the SME Export Marketing Fund (EMF) provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million and has extended the special measure to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the "local market", as well as relaxing the eligibility criteria to cover non-SMEs. As at end February, over 830 applications targeting the ASEAN market had been approved under the BUD Fund, involving a funding amount of over \$521 million; over 3 150 applications targeting the ASEAN market had been approved under the EMF, involving a funding amount of over \$62.54 million.

On investment promotion, Invest Hong Kong (InvestHK) has been reaching out to a wide spectrum of companies in different sectors around the world through the teams based in Hong Kong the Dedicated Teams for Attracting Businesses and Talents in the ETOs and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting



overseas and Mainland companies to set up and expand their businesses in Hong Kong. Through collaboration with relevant stakeholders, chambers of commerce, and professional bodies, etc., InvestHK will continue to roll out an array of investment promotion activities in these developing markets, including meetings, conferences, roadshows, seminars, exhibitions, etc. to proactively tell the good stories of Hong Kong and showcase the immense business opportunities brought by national strategies, including the National 14th Five-Year Plan, the GBA Development and the B&R Initiative, to the international business communities. For example, in order to encourage ASEAN companies to leverage the capital market of and list in Hong Kong, InvestHK and Hong Kong Exchanges and Clearing Limited are planning to co-host a series of promotion activities, to introduce the latest developments of the city's securities market as well as its unrivalled advantages as an international financial centre.

The relevant performance targets, including InvestHK's number of new projects generated and the ETO's number of meetings on trade-related matters attended, are stipulated in the Controlling Officers' Reports in the Budget. As the above work is a part of the overall work of the Commerce and Economic Development Bureau, the ETOs, InvestHK, HKTDC and the Trade and Industry Department, it is difficult to quantify the expenditures and manpower involved separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB110****(Question Serial No. 1605)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

The Regional Comprehensive Economic Partnership (RCEP) entered into force on 1 January 2022. It is stated in its article that accession of new members will be discussed 18 months after the partnership came into force (i.e. after July 2023). As one of the main tasks under this Programme is to seek early accession to the RCEP, please advise this Committee whether there is any timetable for Hong Kong to seek accession to the RCEP? Is Hong Kong's accession to the RCEP one of the important target in this financial year?

Asked by: Hon YIM Kong (LegCo internal reference no.: 3)

**Reply:**

Upon the entry into force of Regional Comprehensive Economic Partnership (RCEP)<sup>Note 1</sup> on 1 January 2022<sup>Note 2</sup>, the HKSAR Government has submitted Hong Kong's formal accession request, and actively made use of various regional fora to reiterate Hong Kong's keen interest in joining RCEP, from which we have received positive responses. At the 6th ASEAN Economic Ministers – Hong Kong, China Consultation held in Cambodia in September 2022, ASEAN Economic Ministers welcomed Hong Kong's readiness for the launch of substantive accession discussions with RCEP member economies. On the margins of the APEC Economic Leaders' Meeting and other related meetings held in Bangkok in November 2022, the Chief Executive met with the leaders of Indonesia, Singapore and Thailand whereas the Secretary for Commerce and Economic Development met with the trade minister of New Zealand to lobby for support by officials at the highest level for Hong Kong's early accession to RCEP. HKSAR Government officials have on separate occasions met with various RCEP trade ministers, Consul-Generals based in Hong Kong and relevant business chambers. The overseas Hong Kong Economic and Trade Offices have also maintained close contact with trade ministries of RCEP member economies to create favourable conditions for our accession as early as possible.

As specified in the RCEP Agreement, RCEP shall be open for accession by any state or customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will seek commencement of negotiations and discussions with RCEP member economies as soon as practicable and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

Note 1: RCEP member economies include Mainland China, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Australia, Japan, Korea, and New Zealand.

Note 2: On 1 January 2022, RCEP entered into force for Brunei, Cambodia, Laos, Singapore, Thailand and Viet Nam (on the ASEAN side), as well as Mainland China, Australia, Japan and New Zealand (on the non-ASEAN side). RCEP also entered into force for Korea, Malaysia and Indonesia on 1 February 2022, 18 March 2022 and 2 January 2023 respectively. As for the remaining signatory State (i.e. the Philippines and Myanmar), RCEP will enter into force 60 days after the deposit of their instrument of ratification, acceptance, or approval to the Secretary-General of ASEAN as the Depositary of the RCEP Agreement. The Philippines has completed its internal ratification procedures in late February.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB111**

**(Question Serial No. 1611)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that for easing the operating pressure of businesses, the Government will reduce profits tax for the year of assessment 2022/23 by 100%, subject to a ceiling of \$6,000. This concessionary measure will benefit 134 000 businesses. Some people consider it far from sufficient for small and medium-sized enterprises facing operating difficulties due to the epidemic.

In this connection, will the Government inform this Committee whether it has more specific measures to lend a bigger hand in easing the operating difficulties of businesses?

Asked by: Hon YIM Kong (LegCo internal reference no.: 9)

Reply:

Having consulted the Financial Services and the Treasury Bureau, our consolidated reply is as follows.

For easing the operating pressure of businesses, the Financial Secretary proposed in the 2023-24 Budget a number of one-off concessionary measures, including:

- (1) reducing profits tax for the year of assessment 2022/23 by 100%, subject to a ceiling of \$6,000;
- (2) providing rates concession for non-domestic properties for the first two quarters of 2023-24, subject to a ceiling of \$1,000 per quarter for each rateable property; and
- (3) starting from July 2023, granting 50% rental or fee concession to eligible tenants of government premises and eligible short-term tenancies and waivers under the Lands Department for 6 months until end 2023.

These measures will reduce government revenue by \$2.46 billion.

In addition, the Government provides funding schemes to assist enterprises in exploring more diversified markets and enhancing competitiveness. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to non-listed Hong Kong enterprises to further their business development in 37 economies, with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements. The Financial Secretary announced in the 2023-24 Budget a further injection of \$500 million and the launching of “BUD Easy” to expedite the processing of applications with funding amount of \$100,000 or below, with a view to helping SMEs better capture business opportunities of the post-epidemic recovery.

The Government appreciates that it takes time for SMEs to consolidate their strengths on the way to recovery. The Financial Secretary also announced in the 2023-24 Budget the extension of the application period of all the guarantee products under the SME Financing Guarantee Scheme from end June 2023 to end March 2024, thus giving SMEs more room to adjust and secure a firm footing.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB112**

**(Question Serial No. 1612)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Government has been enhancing the SME Financing Guarantee Scheme (SFGS) continuously over the years to meet the financing needs of small and medium enterprises during economic downturns. As at end-2022, loans amounting to more than \$230 billion have been approved under the SFGS, benefiting over 53 000 enterprises.

In this regard, please inform this Committee whether there have been any SFGS-related bad debts requiring the Government to assume responsibility. If yes, what was the actual amount and how did the Government handle the cases?

Asked by: Hon YIM Kong (LegCo internal reference no.: 10)

Reply:

Under the SME Financing Guarantee Scheme (SFGS), in the event that a borrowing enterprise defaults on repayment, the lending institution will initiate recovery actions and request the enterprise and guarantor(s) to repay the loan in accordance with its policy and prevailing commercial practice. As at end February 2023, the loan guarantee amount of default cases of the SFGS is \$7.19 billion.

Since the launch of the SFGS, the Government has been providing relief measures such as concessionary low interest and time-limited principal moratorium, which have greatly reduced the burden on small and medium enterprises. The default rate of various products under the SFGS has been lower than expected. The Government will continue to closely monitor the applications and operation of the SFGS.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB113****(Question Serial No. 1625)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

**Question:**

According to the Budget, to encourage the innovation and technology (I&T) sector to forge ahead with more research and development activities and create more patented inventions with market potential, a “patent box” tax incentive will be introduced. It is understood that applications received and granted under the “original grant patent” (OGP) system in Hong Kong are currently far fewer than those under the “re-registration patent” system and “short-term patent” system. However, in terms of improving Hong Kong’s patent system and complementing the development of Hong Kong as a regional intellectual property trading centre and an international I&T centre, OGPs are of significant importance. Therefore, the “patent box” tax incentive should focus on OGPs, in order to maximise the effectiveness of the tax incentive, facilitate the promotion and development of the OGP system of Hong Kong and save administrative costs.

In this connection, please advise on how the Government would consider the eligibility of patent applications for the “patent box” tax incentive and whether priority would be given to OGP applications.

Asked by: Hon YIM Kong (LegCo internal reference no.: 23)

**Reply:**

To encourage the innovation and technology sector to forge ahead with more research and development (R&D) activities and create more patented inventions with market potential, we will introduce a “patent box” tax incentive to provide tax concessions for profits sourced in Hong Kong from qualifying patents generated through R&D activities. We will consult the trade on the “patent box” tax arrangements within this year. Our target is to submit the legislative amendment proposals to the Legislative Council in the first half of 2024.

When formulating the “patent box” tax incentive, we will ensure that the relevant arrangements comply with international tax standards. To ensure that the relevant R&D outcomes comply with Hong Kong’s requirements for patent registration (for instance, it is an invention that is new, involves an inventive step and is industrially applicable), we will also consider requiring taxpayers who apply for the “patent box” tax incentive to apply for or be granted with an “original grant patent” (OGP) of Hong Kong for their R&D outcomes. This is also in line with our policy to continuously develop the OGP system. In addition, we will make reference to the “patent box” tax incentives of other overseas tax jurisdictions in coming up with competitive tax arrangements and concessionary tax rate in order to maintain our competitiveness, and tie in with our goal to develop Hong Kong into a regional intellectual property trading centre.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB114****(Question Serial No. 1001)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the planning for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong's convention and exhibition industry, please advise:

1. in tabular form, the total exhibition area of convention and exhibition facilities in Hong Kong in the past 3 years;
2. in tabular form, the numbers of days on which the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo reached saturation, and the numbers of event applications turned down due to shortage of space in the past 3 years; and
3. with respect to continuing to plan for new convention and exhibition facilities as mentioned in the Matters Requiring Special Attention in 2023-24, whether the Government has any specific plans to increase the convention and exhibition facilities in Hong Kong. What is the latest utilisation of the Convention and Exhibition Industry Subsidy Scheme?

Asked by: Hon YIU Pak-leung (LegCo internal reference no.: 30)

Reply:

The rentable area of convention and exhibition (C&E) facilities in Hong Kong are as follows:

<b>C&amp;E facilities</b>	<b>Rentable Area (square metre)</b>
Hong Kong Convention and Exhibition Centre (HKCEC)	91 500
AsiaWorld-Expo (AWE)	66 400
Total	157 900

The pandemic brings challenges to the C&E industry around the world. In the past 3 years, many exhibitions originally scheduled to be held in the HKCEC or AWE have been cancelled or postponed, and no events have been turned down due to shortage of space.

The Government is proceeding with the expansion of C&E facilities in Wan Chai North and on the airport island.

In Wan Chai North, we will redevelop the sites of the 3 government towers and Kong Wan Fire Station into C&E facilities, hotel and grade A offices, providing an estimated additional rentable C&E space of over 30 000 square metres. The Airport Authority will also expand the AWE, in order to substantially increase the rentable C&E space by 50% to 100 000 square metres, as well as to provide a multi-purpose indoor arena with a seating capacity of over 20 000 people.

The Government launched the Convention and Exhibition Industry Subsidy Scheme in October 2020 with a total commitment of \$1,070 million to reinvigorate the C&E industry. As at 28 February 2023, the Scheme provided a total subsidy of about \$648 million to 236 exhibitions. In addition, the Government allocated about \$41 million of the Scheme's funding in the fourth quarter of 2021 to provide a one-off immediate relief to private organisers of 73 exhibitions to help them cope with the impact of the prolonged postponement or cancellation of exhibitions under the pandemic.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB115**

**(Question Serial No. 0417)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To promote Hong Kong's integration into the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Hong Kong Trade Development Council has established the GoGBA one-stop platform to provide relevant information. In this connection, will the Government advise this Committee of:

1. the annual number of visits registered by the GoGBA website since its establishment;
2. the current staff establishment for GoGBA, and the ranks and relevant expenditure involved;
3. the cities and industries covered by the information provided by GoGBA;
4. the number of business chambers, industry organisations and enterprises available for matching through GoGBA and the sectors to which they belong;
5. the number of enterprises successfully matched by GoGBA since its establishment, and the sectors to which the enterprises belong;
6. the number of members in the GoGBA expert group for consultation and support; the number of consultation sessions provided since its establishment; the number of training and exchange activities organised; and the expenditure involved?

Asked by: Hon YUNG Hoi-yan (LegCo internal reference no.: 7)

Reply:

The Hong Kong Trade Development Council (HKTDC) launched the "GoGBA one-stop platform" in June 2021 to provide important economic and trade information about the cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and help Hong Kong

enterprises build network and promote business opportunities in the GBA. Among others, the GoGBA mobile app, website and e-newsletter have recorded a total of more than 700 000 views thus far which provide business policies and practical information about the GBA as well as diversified cross-boundary business travel tools. The HKTDC has also launched the Go-to Guides series to provide concise information to help Hong Kong enterprises understand more easily the business environment of the Mainland cities of the GBA.

In addition, the “GoGBA one-stop platform” also features physical services. The “HKTDC GBA Centre” established by the HKTDC in Shenzhen strives to provide local promotional support, consultations, training and business matching services, etc. while “GoGBA Business Support Centres” established by the HKTDC and its partners in Qianhai, Nansha, Hengqin, Zhongshan, Dongguan and Foshan, together with the HKTDC’s office in Guangzhou and SME Centre in Hong Kong, assist Hong Kong enterprises in starting and developing businesses in the GBA.

In 2022-23, amidst the epidemic, the HKTDC organised over 90 events targeting the GBA market in Hong Kong, Guangzhou and Shenzhen, etc., including online and offline consultations, training and seminars, etc., serving more than 5 000 Hong Kong businessmen.

Furthermore, the HKTDC encourages young people to seek business opportunities in the GBA and assists Hong Kong and foreign small and medium enterprises in exploring the GBA market. For instance, the HKTDC assisted enterprises in exhibiting and selling their products as well as using social media promotion to increase their brands’ exposure and popularity on the Mainland. In addition, the HKTDC arranged matching between enterprises, or meetings between enterprises and Mainland industry organisations to explore room for cooperation.

The HKTDC and its Mainland partners facilitate matching among relevant organisations and enterprises through the “GoGBA one-stop platform”. As the organisations and enterprises do not need to inform the HKTDC whether the relevant matchings are successful or the commercial information involved, the HKTDC does not have the relevant information.

The expenditure and manpower for the above work have been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, while the consultation services of the “HKTDC GBA Centre” and “GoGBA Business Support Centres” are provided by the staff of the HKTDC and its Mainland partners. Hence such expenditure and manpower cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB116****(Question Serial No. 0441)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of the Hong Kong Trade Development Council (HKTDC) in promoting the development of the Belt and Road Initiative, please inform this Committee of:

1. the countries or regions in which the 50 HKTDC offices are located and the annual expenditure involved in each office;
2. the number of page views of the website “Hong Kong Means Business” in each of the past 3 years and in 2023-24; and
3. details of the 600-odd trade and services promotion events in each of the past 3 years and the estimated 704 events in 2023, including the countries or regions in which each event was/will be organised, the number and contents of each event organised in countries covered by the Belt and Road Initiative as well as the manpower and expenditure involved.

Asked by: Hon YUNG Hoi-yan (LegCo internal reference no.: 31)

Reply:

The Hong Kong Trade Development Council (HKTDC) has 50 offices across different regions in the world. The geographical coverage of many of them is beyond the countries or cities where they are located. Therefore, the global offices and their estimated budget in 2023-24 is shown by regions in the table below:

<b>Region (in alphabetical order)</b>	<b>City where the HKTDC office is located (in alphabetical order)</b>	<b>Estimated budget in 2023-24 (HK\$)</b>
Africa and Middle East	Dubai, Johannesburg, Nairobi, Riyadh, Tel Aviv	\$12,365,000
Americas	Chicago, Los Angeles, Mexico City, New York, Santiago, Sao Paulo, Toronto	\$45,288,000
Asia (other than the Middle East) and Pacific	Almaty, Bangkok, Beijing, Chengdu, Chongqing, Dalian, Delhi, Fuzhou, Guangzhou, Hangzhou, Ho Chi Minh City, Jakarta, Kuala Lumpur, Manila, Mumbai, Nanjing, Osaka, Qingdao, Seoul, Shanghai, Shenzhen, Singapore, Sydney, Taipei, Tokyo, Wuhan, Xi'an	\$146,411,000
Europe	Barcelona, Budapest, Frankfurt, Istanbul, London, Milan, Moscow, Paris, Prague, Stockholm, Warsaw	\$59,651,000

In order to help Hong Kong enterprises grasp the global information, the HKTDC provides comprehensive and timely business information at the market information website “Hong Kong Means Business”. From 2020-21 to 2022-23, the total number of page views of “Hong Kong Means Business” is tabulated as follows.

<b>Year</b>	<b>Total page views</b>
2020-21	1 339 260
2021-22	1 313 092
2022-23 (as at 28 February 2023)	2 225 490

Through its global office network and promotion events, the HKTDC has been exploring mature and emerging markets in order to promote Hong Kong as a platform for doing business with the Mainland and worldwide, as a commercial hub for the Belt and Road (B&R) Initiative, and as a two-way platform for the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

Since the launch of the B&R Initiative, the HKTDC has been actively building Hong Kong as an international business platform for the Initiative. Through organising large-scale international conferences, delegations, publicity and outreach activities through its global network of 50 offices, the HKTDC has facilitated cooperation between Mainland and Hong Kong enterprises, investors, professional service teams and project owners in countries along the B&R. The flagship event B&R Summit co-organised by the Government and the HKTDC since 2016 has all along attracted the participation of heavyweight leaders. This year marks the 10th anniversary of the B&R Initiative, the Government and the HKTDC will continue to co-organise the annual Summit to actively promote Hong Kong as a functional platform and a key link for the B&R Initiative. In addition, the HKTDC launched the

“HKTDC Belt and Road Portal” in 2015, which provides useful information to investors, project owners and small and medium enterprises that are interested in the B&R market.

The HKTDC makes use of its “GoGBA” one-stop platform and the “SmartHK” and “Chic HK” events, which will be held in May this year as the flagship events of Guangdong-Hong Kong Co-operation Week, to promote Hong Kong’s role in the GBA development.

For emerging markets, the HKTDC organised different industry events in the Association of Southeast Asian Nations this year, including the large-scale promotion event “Building for the Future” in Indonesia in February to capture business opportunities for the infrastructure and real estate-related services sectors, and the joint event with the Department of Justice on “Resolve2Win” in Bangkok, Thailand in March to showcase Hong Kong’s strength as a leading centre for international legal and dispute resolution services. The HKTDC also organised a Hong Kong watch industry delegation visit to Dubai, the United Arab Emirates in March to help the industry explore market.

For mature markets, the HKTDC will hold a large-scale promotion event “Think Business, Think Hong Kong” in Paris, France in September this year, joining hands with other Hong Kong organisations to showcase Hong Kong’s advantages as an international trade centre to French companies.

In addition to the above flagship events, the HKTDC will continue to leverage its global network to help Hong Kong enterprises explore business opportunities under the B&R Initiative and promote Hong Kong’s latest developments to the overseas business community around the clock, telling good stories of Hong Kong.

The above work has been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB117**

**(Question Serial No. 1376)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2023-24, the overseas Economic and Trade Offices (ETOs) will continue to step up publicity and public relations efforts and launch promotional campaigns to enhance Hong Kong's international image, and strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity. In this connection, will the Government inform this Committee of the following:

- (1) the respective staff establishment, salary expenditure and total expenditure of each overseas ETO in 2022-23 as well as the respective estimated salary expenditure and total expenditure in 2023-24;
- (2) the number of activities/exchange sessions organised by each overseas ETO to promote Hong Kong and tell the good stories of China as well as the expenditure involved in 2022-23; and
- (3) the major work plans and the estimated expenditure and manpower involved in 2023-24.

Asked by: Hon CHAN Siu-hung (LegCo internal reference no.: 12)

Reply:

The revised estimates for staff establishment, personal emoluments and total operational expenses in 2022-23, and the estimates for personal emoluments and total operational expenses in 2023-24 of the 14 overseas Hong Kong Economic and Trade Offices (ETOs) are as follows:



ETO	2022-23 (Revised estimate)			2023-24 (Estimate)	
	Staff establishment	Personal emoluments* (\$ million)	Total operational expenses# (\$ million)	Personal emoluments* (\$ million)	Total operational expenses# (\$ million)
<b>Bangkok</b>	17	10.4	28.1	12.3	29.5
<b>Berlin</b>	17	13.0	31.1	14.8	32.0
<b>Brussels</b>	18	20.0	39.0	24.0	42.5
<b>Dubai</b>	17	12.5	31.8	18.9	38.7
<b>Geneva</b>	15	22.9	42.8	29.7	51.8
<b>Jakarta</b>	14	9.8	22.8	12.3	26.2
<b>London</b>	18	14.2	39.0	17.4	40.5
<b>New York</b>	14	13.0	32.6	18.8	40.5
<b>San Francisco</b>	16	14.9	30.3	19.3	36.9
<b>Singapore</b>	11	9.8	23.9	12.6	26.7
<b>Sydney</b>	13	10.2	28.3	12.1	30.2
<b>Tokyo</b>	14	13.7	37.1	14.4	38.9
<b>Toronto</b>	11	8.7	20.4	11.0	23.1
<b>Washington</b>	18	20.0	35.7	24.5	42.7

\* The expenditure on personal emoluments includes salaries and allowances.

# Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

In 2022, the number of activities/exchange sessions organised and participated by individual ETOs to promote Hong Kong and tell the good stories of Hong Kong under Programme (2) Public Relations is set out in the table below:

ETO	Public relations functions/events organised	Public relations functions/events participated	Public speeches given	Media interviews/briefings given
<b>Bangkok</b>	26	44	32	12
<b>Berlin</b>	22	80	30	36
<b>Brussels</b>	55	92	46	15
<b>Dubai</b>	12	15	11	7
<b>Geneva<sup>^</sup></b>	56	95	1	0
<b>Jakarta</b>	16	41	24	13
<b>London</b>	67	96	13	2
<b>New York</b>	92	234	51	32
<b>San Francisco</b>	60	79	41	47

<b>ETO</b>	<b>Public relations functions/events organised</b>	<b>Public relations functions/events participated</b>	<b>Public speeches given</b>	<b>Media interviews/ briefings given</b>
<b>Singapore</b>	18	86	10	11
<b>Sydney</b>	25	85	41	17
<b>Tokyo</b>	56	46	25	31
<b>Toronto</b>	90	160	66	45
<b>Washington</b>	42	83	15	55
<b>Total</b>	<b>637</b>	<b>1 236</b>	<b>406</b>	<b>323</b>

^ The Geneva ETO focuses on World Trade Organization matters. Therefore, it makes fewer public speeches, and attends fewer media interviews/organises fewer briefings.

As the above promotion work is a part of the overall public relations work of the ETOs, the expenditure involved cannot be quantified separately.

Being the official overseas representatives of the HKSAR Government, the ETOs are committed to maintaining close communication and exchanges with the international community and stakeholders in different sectors, promoting and explaining the Government's important policies and Hong Kong's unique advantages under "One Country, Two Systems", with a view to telling the good stories of Hong Kong and promoting economic and trade development between Hong Kong and overseas. In addition to regularly providing local stakeholders with the latest information on Hong Kong through newsletters and social media, the ETOs had direct dialogues with various local stakeholders, and met with the media and took the initiative to publish articles to rebut biased reports and to set the record straight.

With the resumption of normal exchanges to the pre-epidemic level, the ETOs have quickly visited the countries and regions under their purview to meet with local government officials and representatives of the business community, to explain to them the arrangements relating to Hong Kong's full return to normality, as well as to actively promote Hong Kong's unique advantages under "One Country, Two Systems" and the full support of the Central Government, and the opportunities brought by the National 14th Five-Year Plan and the Guangdong-Hong Kong-Macao Greater Bay Area development. In 2023-24, the ETOs will continue to actively support and participate in various conferences and forums organised by the local governments, business organisations and groups, and assist in arranging overseas visits by the Chief Executive and other HKSAR Government officials to establish and deepen networks with local sectors. We will also organise and participate in various events in different cities, including concerts, dance performances and film festivals, so as to enhance publicity and promotion work with a view to telling good stories of Hong Kong and promoting cultural and personnel exchanges between Hong Kong and other places.

Besides, in line with the "Competing for Talents and Enterprises" strategy and objective, and for the purpose of enhancing the capabilities of the ETOs, the Government set up Dedicated Teams for Attracting Businesses and Talents (the Dedicated Teams) at 12 ETOs<sup>Note</sup> in late 2022 to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary's Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau, in providing facilitation services for the attraction of businesses and talents. In 2023-24, the Dedicated Teams and other staff of the ETOs, through various means and channels, will continue to proactively reach out to high potential and representative strategic enterprises and

talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, promoting Hong Kong's opportunities and advantages, and various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

As the above work is conducted with the existing manpower and is a part of the regular duties of the ETOs, the expenditure has been subsumed under the overall estimated expenditure and cannot be quantified separately.

Note: The 12 Dedicated Teams have been set up in Bangkok, Berlin, Brussels, Dubai, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo and Toronto ETOs respectively. Besides, the Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations. The work on bilateral economic and trade relations with Switzerland is handled by the Berlin ETO. The Washington ETO is mainly responsible for liaising with the political circle in the United States, and the New York ETO is responsible for attracting businesses and talents in the eastern states of the United States.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB118**

**(Question Serial No. 2016)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The frequent tension between China and the United States (US) has been affecting Hong Kong.

- (1) Please set out the manpower resources, expenditures involved and the types and numbers of projects of the relevant work on fostering commercial relations carried out by each overseas Economic and Trade Offices (ETOs) in each of the past 3 years.
- (2) Please advise on the number of meetings between the 2 ETOs in Washington DC and New York in the US and the US government officials and people, such as members of the US senate and members of the US House of Representatives, on issues of economic and trade relations between Hong Kong and the US in each of past 3 years, and the manpower and public money involved.
- (3) What is the expected situation as mentioned in (2) for this year?
- (4) Please provide in table form the specific direction of work, projects and plans, and amount of resources involved of each overseas ETO concerned for countering protectionism in Hong Kong's major markets, as well as on issues of special interests on the bilateral and multilateral fronts.
- (5) Members from different political parties of the U.S. Parliament re-introduced a bill to request for removing the diplomatic immunities and privileges of ETOs in the US. What efforts have been made by the 3 ETOs in Washington DC, New York and San Francisco in the US in this regard? What work plans do they have to address the future development?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 9)

Reply:

The Hong Kong overseas Economic and Trade Offices (ETOs) <sup>Note</sup> have always strived to maintain close communication and interaction with the international community and overseas interlocutors, so as to explain the HKSAR Government's major policies, promote the unique status of Hong Kong under "One Country, Two Systems", our multi-faceted advantages, and the profound business opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, and clarify and refute misinformation about Hong Kong. The ETOs also strengthen relationships and communication with administrations and businesses in overseas places, through various means such as meeting with overseas interlocutors, conducting conferences, organising public speeches, publishing press releases and so on, thereby promoting Hong Kong and furthering our trade and economic interest.

The numbers of the relevant activities carried out by the ETOs under Programme (1) in the past 3 years are as follows:

ETO	2020@						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Bangkok	47	19	2	13	12	1	90
Berlin	185	36	19	73	23	39	127
Brussels	245	83	15	79	32	77	16
Geneva*	538	-	-	53	-	-	-
Jakarta#	46	46	7	24	14	4	16
London	56	6	8	30	11	14	320
New York	220	59	38	125	30	25	487
San Francisco	189	90	30	114	43	25	36
Singapore	137	49	18	30	9	10	255
Sydney	27	19	11	101	10	7	279
Tokyo	123	5	15	105	24	15	39
Toronto	137	82	24	38	29	65	126
Washington	349	172	20	142	24	92	61

ETO	2021 <sup>@</sup>						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Bangkok	47	27	7	18	16	6	94
Berlin	187	27	21	74	25	24	140
Brussels	202	66	14	45	17	44	15
Dubai <sup>#</sup>	51	34	1	11	2	8	24
Geneva <sup>*</sup>	765	-	-	87	-	-	-
Jakarta	59	56	7	25	10	3	17
London	101	12	12	31	12	1	400
New York	208	56	33	119	25	24	670
San Francisco	189	106	30	70	42	24	72
Singapore	150	55	20	64	10	11	270
Sydney	104	86	6	100	24	14	357
Tokyo	101	7	10	31	9	3	44
Toronto	140	85	28	68	47	66	127
Washington	280	163	20	145	24	50	60

ETO	2022 <sup>@</sup>						
	Meetings on trade-related matters attended	Visits to host governments and trade organisations	Seminars, exhibitions and workshops organised	Seminars, exhibitions and workshops participated	Public speeches given	Media interviews/briefings given	Circulars/newsletters/press releases issued
Bangkok	49	28	12	19	17	9	179
Berlin	212	40	22	80	34	30	142
Brussels	249	93	22	45	26	15	14
Dubai <sup>#</sup>	98	61	7	12	11	7	95
Geneva <sup>*</sup>	725	-	-	59	-	-	-
Jakarta	98	92	16	42	24	8	28
London	106	12	13	31	13	2	200
New York	209	62	34	113	26	32	659
San Francisco	189	102	32	73	41	27	82
Singapore	155	57	20	70	10	11	279
Sydney	108	89	16	103	41	17	372
Tokyo	128	46	15	66	24	29	51
Toronto	142	90	28	67	50	69	130
Washington	287	166	20	152	15	56	66

<sup>@</sup> Figures also cover online events.

<sup>#</sup> The Dubai ETO commenced operation on 28 October 2021.

<sup>\*</sup> The Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters. Therefore, it mainly attends meetings on trade-related matters and participates in seminars, exhibitions and workshops under Programme (1).

The number of visits to host governments (including congressmen) and trade organisations by the Washington and New York ETOs under Programme (1) in the past 3 years are as follows:

Year	Numbers of visits to host governments and trade organisations <sup>@</sup>	
	Washington ETO	New York ETO
2020	172	59
2021	163	56
2022	166	62

<sup>@</sup> Figures also cover online events.

On plurilateral and multilateral fronts, the ETOs have, through various means, maintained close communications with our trading partners to strengthen exchanges and further Hong Kong's economic and trade interests. In particular, the Regional Comprehensive Economic Partnership (RCEP) is an important milestone in fostering regional economic integration, as it explicitly and irrefutably expresses a supportive message for open, inclusive and rule-based trade and investment arrangements. Against the backdrop of the pervasive spread of protectionism, RCEP will foster regional free trade and encourage investment, thereby promoting plurilateral co-operation. With regards to Hong Kong's efforts in seeking accession to RCEP, the relevant ETOs have been actively liaising with individual member economies closely and meeting with the relevant departments since RCEP came into force on 1 January 2022, proposing early commencement of discussions with a view to enabling Hong Kong to, in accordance with the RCEP agreement, join RCEP as soon as possible according to the procedures to be determined by the RCEP Joint Committee.

On bilateral fronts, regarding the repeated protectionist measures of the US targeted at Hong Kong, the Washington, New York and San Francisco ETOs have maintained communications with various stakeholders in the US (including federal government officials, congressmen and senators and their aides, state and municipal government officials, think tanks, media organisations, academics, individuals in the cultural and business sectors, and other key opinion leaders), so as to explain the policy measures of the HKSAR Government, promote our unique advantages and culture, resolutely clarify false reports and misunderstandings, thereby fostering interactions between Hong Kong and the US, continue telling good stories of Hong Kong, and enhancing the work in attracting businesses and talents. On this basis, the Washington, New York and San Francisco ETOs will continue to, through various channels in their respective localities, resolutely clarify false reports and misunderstandings, proactively contact stakeholders in various sectors in the US, and, on the basis of mutual benefit, promote the development of the trade and economic relationship between Hong Kong and the US. In addition, the Geneva ETO, as Hong Kong's representative in the World Trade Organization (WTO), voiced objection to the US' protectionist measures through participating in WTO affairs. Examples of relevant work are as follows:

ETOs	Date	Details
Geneva ETO	From October 2020 to December 2022	The Geneva ETO voiced objection to the imposition of the revised origin marking requirement on Hong Kong products by the US at the meetings of the WTO General Council, Committee on Trade Facilitation, Committee on Technical Barriers to Trade, Committee on Rules of Origin and Council on Trade in Goods; and conducted consultation with the US on the revised origin marking requirement in accordance with the WTO's dispute settlement mechanism, and requested the WTO Dispute Settlement Body to establish a panel to examine the trade dispute resulting from the US' imposition of the revised origin marking requirement. The panel, in its report on 21 December 2022, clearly pointed out that the US had contravened WTO rules.
	January 2023	The Geneva ETO represented Hong Kong, China at the meeting of the WTO Dispute Settlement Body on 27 January 2023. Prior to the meeting, the US had lodged an appeal regarding the panel's ruling. The Geneva ETO spoke at the meeting, expressing regret towards the US's appeal, and imploring the US to respect the WTO's ruling and retract the revised requirement found to be incongruent with WTO regulations.
Washington ETO	From October 2020 to December 2022	The Washington ETO followed up on the US' revised origin marking requirement on Hong Kong products, and raised objection to the US side and requested withdrawal of the revised requirement.

In 2022, as the COVID-19 pandemic gradually stabilised, the Washington, New York and San Francisco ETOs have maintained communications with various stakeholders in the US (including federal government officials, congressmen and senators and their aides, state and municipal government officials, think tanks, media organisations, academics, individuals in the cultural and business sectors, and other key opinion leaders) through in-person meetings, holding and participating in conferences and seminars, video and telephone conferences, social media, weekly newsletters and webinars, so as to explain the policy measures of the HKSAR Government, promote our unique advantages and culture, resolutely clarify false reports and misunderstandings, thereby fostering interactions between Hong Kong and the US, continue telling good stories of Hong Kong, and enhancing the work in attracting businesses and talents.

The ETOs' staff have paid close attention to the policy direction of the US government, the political and economic situation, and media reports, so as to reiterate the HKSAR Government's commitment to the faithful implementation of "One Country, Two Systems" and free trade, as well as to uphold Hong Kong's core values that have been integral to our success. The ETOs also explain the most up-to-date situation on the ground in Hong Kong, such as the HKSAR Government's newest policies in response to the COVID-19 pandemic, our arrangements in the resumption of normalcy, the implementation of the HKSAR National Security Law. Through the above, the ETOs seek to rectify misunderstandings, allow



individuals from various sectors to glean a more comprehensive understanding of Hong Kong, preserve Hong Kong's international image and our bilateral relations with the US. The ETOs also highlight the profound and mutually beneficial connections between Hong Kong and the US in trade and business.

As the above work is a part of the overall commercial relations work of the ETOs, it is difficult to quantify the expenditures and manpower involved separately.

Note : The HKSAR Government currently has 14 overseas ETOs, namely in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB119**

**(Question Serial No. 2021)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Bureau set up the Dedicated Teams for Attracting Businesses and Talents under the Overseas Economic and Trade Offices to provide support to the Office for Attracting Strategic Enterprises and the Hong Kong Talent Engage led by the Labour and Welfare Bureau. Please inform this Committee of the following:

1. What are the additional manpower and annual resources to be involved in the Dedicated Teams?
2. What are the specific missions and duties of the Dedicated Teams?
3. Will the Bureau formulate any specific performance targets for the Dedicated Teams? If yes, what are the details? If no, what are the reasons?
4. What is the division of work between the Dedicated Teams and Invest Hong Kong?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 14)

Reply:

In line with the “Competing for Talents and Enterprises” strategy and objective, the Government has set up the Dedicated Teams for Attracting Businesses and Talents (The Dedicated Teams) at 12 overseas Hong Kong Economic and Trade Offices (ETOs) in December 2022, to support the work of the Office for Attracting Strategic Enterprises led by the Financial Secretary and the Hong Kong Talent Engage under the Labour and Welfare Bureau, to provide facilitating service for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs will, through various means and channels, proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, so as to promote Hong Kong's opportunities and advantages, and our various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

The Dedicated Teams also complement and support Invest Hong Kong (InvestHK) in proactively encouraging overseas and Mainland businesses, small and medium enterprises, and transnational companies, which are interested in setting up offices in Hong Kong or expanding their businesses here, to establish Hong Kong as their primary foothold.

The Dedicated Teams are a part of the ETOs and are constituted by the existing staff at the ETOs. In 2023-24, the Dedicated Teams' staff establishment consists of 35 staff and the estimated expenditure is \$100 million. Apart from that, InvestHK has budgeted around \$16million to undertake investment promotion work in overseas locations through the Dedicated Teams. The performance targets for the ETOs are stipulated in the Controlling Officers' Reports under the relevant Heads.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB120****(Question Serial No. 2030)**Head: (96) Government Secretariat: Overseas Economic and Trade OfficesSubhead (No. & title): (-) -Programme: (1) Commercial RelationsControlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

- (1) Please list the respective staff establishment (including Hong Kong-based officers, locally-engaged staff and agency staff), expenditure on salary and total expenditure of the Economic and Trade Officers (ETOs) in the past 3 years, with a breakdown by city.
- (2) Further to the above question, what are the staff establishment and estimated expenditure of the respective ETOs in the next financial year?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 23)Reply:

The staff establishment, personal emoluments and total operational expenses of the 14 overseas Hong Kong Economic and Trade Offices (ETOs) in the past 3 years are as follows:

ETO	2020-21			2021-22			2023-24 (Revised estimate)		
	Staff establishment (Number of posts)	Personal emoluments*	Total operational expenses#	Staff establishment (Number of posts)	Personal emoluments*	Total operational expenses#	Staff establishment (Number of posts)	Personal emoluments*	Total operational expenses#
			(\$ million)			(\$ million)			(\$ million)
<b>Bangkok</b>	17	9.4	22.2	17	9.8	26.3	17	10.4	28.1
<b>Berlin</b>	17	12.1	25.4	17	13.4	25.6	17	13.0	31.1
<b>Brussels</b>	18	19.3	29.4	18	20.1	31.5	18	20.0	39.0
<b>Dubai@</b>	-	-	-	17	9.6	22.7	17	12.5	31.8
<b>Geneva</b>	15	23.2	32.2	15	23.7	36.5	15	22.9	42.8
<b>Jakarta</b>	14	9.1	13.9	14	8.9	16.7	14	9.8	22.8

ETO	2020-21			2021-22			2023-24 (Revised estimate)		
	Staff establishment (Number of posts)	Personal emoluments*	Total operational expenses <sup>#</sup>	Staff establishment (Number of posts)	Personal emoluments*	Total operational expenses <sup>#</sup>	Staff establishment (Number of posts)	Personal emoluments*	Total operational expenses <sup>#</sup>
		(\$ million)			(\$ million)			(\$ million)	
London	18	14.4	30.6	18	14.6	33.5	18	14.2	39.0
New York	14	14.2	26.4	14	14.2	28.5	14	13.0	32.6
San Francisco	16	16.0	28.1	16	14.9	26.0	16	14.9	30.3
Singapore	11	10.1	20.1	11	10.3	23.5	11	9.8	23.9
Sydney	13	12.6	24.8	13	12.8	26.4	13	10.2	28.3
Tokyo	14	12.8	28.0	14	13.5	29.7	14	13.7	37.1
Toronto	11	9.1	16.2	11	8.8	17.2	11	8.7	20.4
Washington	18	21.3	29.1	18	19.3	27.6	18	20.0	35.7

On 31 March 2023, the 14 ETOs have an estimated staff establishment of 213 posts, including 60 Hong Kong-based officer posts and 153 locally-engaged (LE) staff posts. The ETOs also hire agency staff to fill temporarily vacant LE staff posts, or to meet short-term operational needs.

In 2023-24, the estimated staff establishment and total operational expenses of the 14 ETOs are as follows:

ETO	2023-24 (Revised estimate)	
	Staff establishment (Number of posts)	Total operational expenses <sup>#</sup>
Bangkok	17	29.5
Berlin	17	32.0
Brussels	17	42.5
Dubai	17	38.7
Geneva	15	51.8
Jakarta	14	26.2
London	19	40.5
New York	14	40.5
San Francisco	16	36.9
Singapore	11	26.7
Sydney	13	30.2
Tokyo	14	38.9
Toronto	11	23.1
Washington	18	42.7

\* The expenditure on personal emoluments includes salaries and allowances.

# Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

@ The Dubai ETO commenced operation on 28 October 2021.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB121****(Question Serial No. 2031)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide details of arts and cultural or sport events held by the overseas Economic and Trade Offices in the past year, and set out the expenditures involved.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 24)

Reply:

Starting from July 2022, the newly established Culture, Sports and Tourism Bureau (CSTB) is responsible for the policy portfolios on arts, culture and creative industries, etc. The overseas Hong Kong Economic and Trade Offices (ETOs) (except the Geneva ETO which specialises in World Trade Organization matters) not only strived to strengthen Hong Kong's economic and trade relationships with foreign countries, but also assisted CSTB and the Leisure and Cultural Services Department under it in organising, sponsoring and participating in different arts and cultural events in the countries/regions under the respective purviews of the ETOs, such as film festivals, concerts, dance performances, arts exhibitions, etc., and invited Hong Kong people from various sectors (including film directors, actors, designers, emerging artists, etc.) to participate in these events. The ETOs also supported Hong Kong's arts and cultural groups of different sizes to conduct exchanges and give performances overseas. The above promotional activities were conducive to Hong Kong's progression into an East-meets-West centre for international cultural exchange and could foster the development of Hong Kong's arts and culture and creative industries.

In 2022, through celebrating the 25th anniversary of the establishment of the HKSAR, the ETOs continued to actively organise/support various arts, cultural and sports events (including in virtual form). Examples are as follows:

- In the Asia-Pacific region, the Bangkok ETO organised "HK for U" roving exhibitions in 6 shopping malls in Bangkok, Thailand from May to November to promote different aspects of Hong Kong to the general public in Thailand, attracting about 6 800 visitors. The Singapore ETO collaborated with the Singapore Chinese Orchestra to present the

“Twin Cities Melodies” Chinese concert in June. Almost 500 guests in Singapore were led through a memorable journey revisiting classic Cantopop songs. An exhibition on “Hong Kong: where art thrives” was also organised at the same performance venue to enhance general public’s understanding of Hong Kong’s vibrant arts culture. The Tokyo ETO organised “Hong Kong in Miniature” exhibitions in Tokyo, Japan and Seoul, Korea from July to August and from September to October respectively, during which miniature models made by Hong Kong artists to depict Hong Kong’s traditions, cityscape and aspects of daily life were presented. The exhibitions also promoted Hong Kong as an international city where East meets West, the old blends with the new, and creativity thrives. The Sydney ETO sponsored the hybrid-format (both virtual and physical) dance performance named “Convergence - A Journey of Chinese Dance & Martial Arts” presented by the Hong Kong Dance Company and the Sydney Dance Company in Sydney, Australia in August, to foster cultural exchange between Hong Kong and Australia. The Jakarta ETO sponsored the Asian Film Awards Academy and the Bali International Film Festival to host the “Asian Cinerama – Hong Kong Focus” campaign in September in Jakarta, Indonesia, featuring the screening of 6 Hong Kong movies and in-person interactions between Hong Kong’s filmmakers and the local counterparts in Indonesia to promote Hong Kong’s creative industries.

- In the Middle East region, the Dubai ETO collaborated with a local cinema partner in April to screen the Hong Kong film “Hand Rolled Cigarette” directed by Chan Kin-long. This was the first major cultural event organised by the ETO since its establishment, introducing quality Hong Kong films and talents to audiences in the region.
- In Europe, the Brussels ETO supported the European rehearsal camp and concert tour organised by the Asian Youth Orchestra in Bergamo and 4 other cities in Italy from July to August, showing the HKSAR Government’s efforts to promote international youth exchanges and develop Hong Kong as a major arts and cultural centre in Asia. The Berlin ETO sponsored the Berlin City Cup dragon boat races in Berlin, Germany in September. The ETO also set up a booth and participated in the races with a team to promote Hong Kong. The London ETO co-organised Fashion Hong Kong Sustainable Designer Showcase in London with the Hong Kong Trade Development Council from November to December. The showcase displayed 6 fashion designer labels from Hong Kong. The opening of the showcase featured a panel discussion, during which experts in the fashion and textile industry shared their insights into Hong Kong’s strengths and opportunities in developing sustainable fashion.
- In North America, the Washington ETO supported a lantern festival at the REACH at The John F. Kennedy Center for the Performing Arts from January to February. In May and July, the Toronto ETO sponsored Starlight Chinese Opera Performing Arts Centre to organise the “Canada-Hong Kong Young Cantonese Opera Cultural Exchange” in Toronto, Canada, which included the Cantonese opera performance, seminar and exhibition on Cantonese opera costumes, to promote Hong Kong’s Cantonese opera and cultural development. The San Francisco ETO presented “Ginger Jazz: Cy Leo Jazz Quartet” in San Francisco, the United States in December. Cy Leo Ho Cheuk-yin from Hong Kong, as the harmonicist and band leader, teamed up with a group of musicians from the United States to foster cultural exchange. In the same month, the New York ETO participated in the New Year Countdown Celebration of New York Times Square and sponsored “Fusion, Motion, Inspiration - Hong Kong Rocks!” performance,

displaying a cultural fusion of East and West.

As promoting cultural exchanges is a part of the overall public relations work of the ETOs, it is difficult to quantify the expenditure involved separately.

- End -



**CONTROLLING OFFICER'S REPLY****CEDB122****(Question Serial No. 2039)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

While Singapore has long been competing with Hong Kong in various aspects, the Hong Kong Economic and Trade Office (HKETO) in Singapore is the first Economic and Trade Office set up by the Hong Kong Government in Southeast Asia. Please inform this Committee of the following:

1. Please set out the annual expenditure of the HKETO in Singapore between 2020 and 2022.
2. Please set out the amount of investment attracted for Hong Kong per year by the HKETO in Singapore between 2020 and 2022.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 32)

Reply:

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. ASEAN is one of the HKSAR Government's primary liaison targets. We had as early as 1995 established the Hong Kong Economic and Trade Office (ETO) in Singapore to manage bilateral affairs between Hong Kong and ASEAN. As Hong Kong and ASEAN developed closer relations, the HKSAR Government established an ETO in Jakarta, Indonesia in 2016, so as to strengthen our communication with the 10 ASEAN countries and facilitate our liaison with the ASEAN Secretariat situated also in Jakarta. Thereafter, in 2019, the HKSAR Government successfully set up the Bangkok ETO which became our third ETO in the ASEAN. The Bangkok ETO, in conjunction with the Singapore and Jakarta ETOS, will continue to enhance our representative network in Southeast Asia. The 10 ASEAN countries under the respective purview of the 3 ETOS are as follows:

Singapore ETO

Laos, Singapore and Vietnam

Jakarta ETO

Representing the Government of the Hong Kong Special Administrative Region in matters between Hong Kong and ASEAN as a whole, and covering Brunei Darussalam, Indonesia, Malaysia and the Philippines

Bangkok ETO

Cambodia, Myanmar and Thailand

The Singapore ETO's total operational expenses (including personal emoluments, personnel related expenses, departmental expenses and other charges) in 2020-21, 2021-22 and 2022-23 are as follows :

<b>Year</b>	<b>Total operational expenses (HK\$ million)</b>
2020-21	20.1
2021-22	23.5
2022-23 (Revised estimate)	23.9

The companies assisted by ETOs only provide us with the information on the investment amount in Hong Kong on a voluntary basis. Hence, our collected data cannot reflect the actual situation and do not include the amount invested by those companies set up in Hong Kong without assistance by ETOs. Besides, there is a varying degree of fluctuation in the investment amount in Hong Kong by overseas companies in recent years due to the pandemic and other factors.

The amount of investment brought to Hong Kong by the Singapore ETO from 2020 to 2022, collected through the aforesaid means, is as follows :

<b>Year</b>	<b>Amount of investment brought to Hong Kong (HK\$ million)</b>
2020	156.7
2021	291.9
2022	218.4

- End -

**CONTROLLING OFFICER'S REPLY****CEDB123****(Question Serial No. 2040)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Indonesia is the most populous country in Southeast Asia, and Hong Kong started to set up an Economic and Trade Office (ETO) in Jakarta in 2016. The questions are as follows:

1. Please list the annual expenditure of the Jakarta ETO from 2020 to 2022.
2. Please list the annual amount of investment brought into Hong Kong by the Jakarta ETO from 2020 to 2022.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 33)

Reply:

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. ASEAN is one of the HKSAR Government's primary liaison targets. We had as early as 1995 established the Hong Kong Economic and Trade Office (ETO) in Singapore to manage bilateral affairs between Hong Kong and ASEAN. As Hong Kong and ASEAN developed closer relations, the HKSAR Government established an ETO in Jakarta, Indonesia in 2016, so as to strengthen our communication with the 10 ASEAN Member States and facilitate our liaison with the ASEAN Secretariat situated also in Jakarta. Thereafter, in 2019, the HKSAR Government successfully set up the Bangkok ETO which became our third ETO in the ASEAN. The Bangkok ETO, in conjunction with the Singapore and Jakarta ETOS, will continue to enhance our representative network in Southeast Asia. The 10 ASEAN countries under the respective purview of the 3 ETOS are as follows:

Singapore ETO

Laos, Singapore and Vietnam

Jakarta ETO

Representing the Government of the Hong Kong Special Administrative Region in matters between Hong Kong and ASEAN as a whole, and covering Brunei Darussalam, Indonesia, Malaysia and the Philippines

Bangkok ETO

Cambodia, Myanmar and Thailand

The Jakarta ETO's total operational expenses (including personal emoluments, personnel related expenses, departmental expenses and other charges) in 2020-21, 2021-22 and 2022-23 are as follows:

<b>Year</b>	<b>Total operational expenses (HK\$ million)</b>
2020-21	13.9 <sup>Note</sup>
2021-22	16.7 <sup>Note</sup>
2022-23 (Revised estimate)	22.8

The companies assisted by ETOs only provide us with the information on the investment amount in Hong Kong on a voluntary basis. Hence, our collected data cannot reflect the actual situation and do not include the amount invested by those companies set up in Hong Kong without assistance by ETOs. Besides, there is a varying degree of fluctuation in the investment amount in Hong Kong by overseas companies in recent years due to the pandemic and other factors.

The amount of investment brought to Hong Kong by the Jakarta ETO from 2020 to 2022, collected through the aforesaid means, is as follows:

<b>Year</b>	<b>Amount of investment brought to Hong Kong (HK\$ million)</b>
2020	131.0
2021	8.0
2022	0.1

Note: Due to the COVID-19 pandemic, the number of activities organised by the Jakarta ETO in 2020-21 and 2021-22 had reduced, resulting in total operational expenses at a relatively lower level.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB124****(Question Serial No. 2041)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Economic and Trade Office in Bangkok (Bangkok ETO) was established in 2019. Please inform this Committee of the following:

1. The annual expenditures incurred by the Bangkok ETO in 2020 to 2022.
2. The respective amounts of investment attracted to Hong Kong by the Bangkok ETO in 2020 to 2022.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 34)

Reply:

The Association of Southeast Asian Nations (ASEAN) has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. ASEAN is one of the HKSAR Government's primary liaison targets. We had as early as 1995 established the Hong Kong Economic and Trade Office (ETO) in Singapore to manage bilateral affairs between Hong Kong and ASEAN. As Hong Kong and ASEAN developed closer relations, the HKSAR Government established an ETO in Jakarta, Indonesia in 2016, so as to strengthen our communication with the 10 ASEAN Member States and facilitate our liaison with the ASEAN Secretariat situated also in Jakarta. Thereafter, in 2019, the HKSAR Government successfully set up the Bangkok ETO which became our third ETO in the ASEAN. The Bangkok ETO, in conjunction with the Singapore and Jakarta ETOs, will continue to enhance our representative network in Southeast Asia. The 10 ASEAN countries under the respective purview of the 3 ETOs are as follows:

Singapore ETO

Laos, Singapore and Vietnam

Jakarta ETO

Representing the Government of the Hong Kong Special Administrative Region in matters between Hong Kong and ASEAN as a whole, and covering Brunei Darussalam, Indonesia, Malaysia and the Philippines

Bangkok ETO

Cambodia, Myanmar and Thailand

The Bangkok ETO's total operational expenses (including personal emoluments, personnel related expenses, departmental expenses and other charges) in 2020-21, 2021-22 and 2022-23 are as follows:

<b>Year</b>	<b>Total operational expenses (HK\$ million)</b>
2020-21	22.2
2021-22	26.3
2022-23 (Revised estimate)	28.1

The companies assisted by ETOs only provide us with the information on the investment amount in Hong Kong on a voluntary basis. Hence, our collected data cannot reflect the actual situation and do not include the amount invested by those companies set up in Hong Kong without assistance by ETOs. Besides, there is a varying degree of fluctuation in the investment amount in Hong Kong by overseas companies in recent years due to the pandemic and other factors.

The amount of investment brought to Hong Kong by the Bangkok ETO from 2020 to 2022, collected through the aforesaid means, is as follows:

<b>Year</b>	<b>Amount of investment brought to Hong Kong (HK\$ million)</b>
2020 <sup>Note</sup>	0
2021	25.0
2022	2,020.0

Note: The Investment Promotion Unit in the Bangkok ETO was set up in late 2019. The Head of the unit reported duty in May 2020.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB125****(Question Serial No. 2475)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Vietnam has experienced rapid economic growth in recent years. However, Hong Kong at present does not have an overseas Economic and Trade Office (ETO) there. Please inform this Committee of the following:

1. The total expenditure for setting up the Hong Kong ETO in Bangkok in 2019.
2. The annual investment of Vietnam in Hong Kong from 2020 to 2022.
3. Will the Administration consider setting up an ETO in Vietnam?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 38)

Reply:

The Hong Kong Economic and Trade Office (ETO) in Bangkok commenced operation on 28 February 2019. The expenditure for setting up the ETO was around \$4.8 million.

To strengthen Hong Kong's trade and economic relations with other places, the HKSAR Government has strived to expand our network of ETOs, so as to enhance our external promotion and communication and to explore new business opportunities. The HKSAR Government currently has 3 ETOs (in Bangkok, Jakarta and Singapore respectively) in the Association of Southeast Asian Nations (ASEAN). Such arrangement is conducive to strengthening our bilateral relations with ASEAN countries, fostering closer trade and economic relationships with our regional trade partners, and enhancing our reputation in the region.

The aforesaid arrangement is comparable to that in the United States (with ETOs in New York, San Francisco and Washington DC respectively) and in Europe (with ETOs in Berlin, Brussels, Geneva<sup>Note</sup> and London respectively), and has proven to be effective. The HKSAR Government will continue to, on the basis of Hong Kong's trade interest and needs,

proactively explore the feasibility and relevant details in setting up ETOs in various countries, so as to further enhance Hong Kong's global trade and economic network.

For the statistics about inward direct investment from Vietnam to Hong Kong, we have consulted the Census and Statistics Department. In consideration of the incompleteness of data and the need to safeguard confidentiality of information of individual companies, the Department is unable to disclose the relevant information.

Note: The Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations. The work on bilateral economic and trade relations with Switzerland is handled by the Berlin ETO.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB126**

**(Question Serial No. 2431)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. It is stated in the 2021 Policy Address that the overseas Economic and Trade Offices “will play an important role in promoting the cultural industries of Hong Kong”. The provision for 2023-24 is \$72.6 million (34.8%) higher than the revised estimate for 2022-23. How much of the provision will be used in cultural promotion work?
- b. The estimated number of public relations functions/events (including cultural functions/events) to be organised for 2023-24 is 790, which is 153 (about 24%) higher than the actual number of functions/events participated for 2022-23. Among the increase, what is the number of cultural functions/events? What are the details involved?
- c. The number of estimated calls on senior government officials/organisations for 2023-24 is 1 253. What is the percentage of culture-related calls? Will more culture-related calls be arranged as compared with 2022-23?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 1)

Reply:

The promotion of arts and cultural exchange between Hong Kong and countries/regions under the respective purviews of the overseas Hong Kong Economic and Trade Offices (ETOs) falls under the work of Programme (2) Public Relations. In 2023-24, the estimated provision for Programme (2) is about \$54.6 million (34.3%) more than the revised estimate for 2022-23. This is mainly due to the provision reserved for new ETOs planned to be set up, increased salary provision arising from filling vacancies and staff changes, and increased operating expenses of the ETOs.

The ETOs' work on promotion of public relations aims to promote Hong Kong as a reliable trading partner and a location for doing business with a multitude of advantages, foster the exchange and collaboration between Hong Kong and different places, as well as enhance Hong Kong's international image. The relevant work includes monitoring and reporting on reactions to events in Hong Kong in the ETOs' host countries or regions under their purview, and utilising different means and channels (for example calling on senior government officials/organisations, organising and participating in various public relations functions/events (including cultural functions/events), giving public speeches and accepting media interviews, etc.) to introduce Hong Kong's culture and latest development to overseas interlocutors, explain the important policies of the HKSAR Government, as well as clarify and refute erroneous information about Hong Kong. The ETOs also liaise with Hong Kong enterprises and people in the host countries or regions under their purview, and provide them with information and enquiry service about Hong Kong.

Starting from July 2022, the newly established Culture, Sports and Tourism Bureau (CSTB) is responsible for the policy portfolios on arts, culture and creative industries, etc. For the promotion of public relations, the ETOs has focused more on promotion of arts and cultural exchanges to tie in with the policy on development of Hong Kong's arts and culture, creative industries, etc. The ETOs also assist CSTB and its Leisure and Cultural Services Department in organising, sponsoring and participating in different arts and cultural events in the countries and regions under their respective purviews, such as film festivals, concerts, dance performances, arts exhibitions, etc., and invite Hong Kong people from various sectors (including film directors, actors, designers and emerging artists) to participate in these events. Besides, the ETOs support Hong Kong's arts and cultural groups of different sizes to conduct exchanges and give performances overseas. The above promotional activities are conducive to Hong Kong's progression into an East-meets-West centre for international cultural exchange.

The ETOs anticipate that there will be enhancements in all performance indicators under Programme (2) Public Relations in 2023 as compared with last year. As promoting arts and cultural exchanges is a part of the public relations work of the ETOs, it is difficult to quantify the expenditure involved separately. For ETOs' calls on senior government officials/organisations as well as their organisation of and participation in functions/events, a call or an event usually covers different purposes simultaneously and it is difficult to quantify such work by a specific purpose.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB127****(Question Serial No. 2460)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has mentioned under “Matters Requiring Special Attention in 2023-24” that the Dedicated Teams for Attracting Businesses and Talents set up under the Economic and Trade Offices (ETOs) will continue to provide support to the Office for Attracting Strategic Enterprises and Talents Service Unit. In this connection, please inform this Committee of the following:

- (1) the respective additional staffing establishment and expenditures for setting up the Dedicated Teams for Attracting Businesses and Talents under each ETO; and
- (2) regarding attracting enterprises and investment, will indicators be introduced with respect to the work of the ETOs in liaising with enterprises and attracting them to expand and grow their business in Hong Kong? If yes, what are the details? If no, what are the reasons?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 30)

Reply:

Except for the overseas Hong Kong Economic and Trade Offices (ETOs) in Geneva and Washington <sup>Note 1</sup>, the HKSAR Government has set up a Dedicated Team for Attracting Businesses and Talents (the Dedicated Team) in each of the other 12 ETOs to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary's Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau, in providing facilitation services for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs, through various means and channels, will proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, promoting Hong Kong's opportunities and advantages, and various talent admission programmes, thereby encouraging talents to settle in Hong Kong. The Dedicated Teams are constituted by existing staff of the ETOs without increase in staff establishment. In 2023-24, the estimated number of posts in

the Dedicated Teams is 35, and the estimated expenditure is about \$100 million. Besides, Invest Hong Kong has earmarked about \$16 million to undertake overseas investment promotion work through the Dedicated Teams.

The performance indicators of the Dedicated Teams have been included in the Controlling Officer's Report under Head 96 "Government Secretariat: Overseas Economic and Trade Offices" - Programme (3) Investment Promotion in the Budget. Details are as follows:

Indicator	2023 (Estimate)
New projects generated <sup>Note 2</sup>	378
Projects completed <sup>Note 3</sup>	189

Note 1: The Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations. The work on bilateral economic and trade relations with Switzerland is handled by the Berlin ETO. The Washington ETO is mainly responsible for liaising with the political circle in the United States, and the New York ETO is responsible for attracting businesses and talents in the eastern states of the United States.

Note 2: New projects generated refer to those 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.

Note 3: Projects completed refer to 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.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB128****(Question Serial No. 2487)**Head: (96) Government Secretariat: Overseas Economic and Trade OfficesSubhead (No. & title): (-) -Programme: (1) Commercial RelationsControlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Regarding the Dedicated Teams for Attracting Businesses and Talents under this Programme, please advise this Committee of the following:

- (1) At present, what are the staff establishment and the numbers of staff of the overseas Economic and Trade Offices (ETOs)?
- (2) With the setting up of the Dedicated Teams for Attracting Businesses and Talents, has the Government assessed whether the overseas ETOs have sufficient manpower to cope with the additional workload? If yes, what is the situation? Has there been any increase in the staff establishment? If no, what are the reasons?

Asked by: Hon HONG Wen, Wendy (LegCo internal reference no.: 5)Reply:

The revised estimated staff establishment in 2022-23 and the strength as at 28 February 2023 of the 14 overseas Hong Kong Economic and Trade Offices (ETOs) are as follows:

<b>ETO</b>	<b>Staff establishment (Number of posts)</b>	<b>Strength (Number of staff)</b>
Bangkok	17	15
Berlin	17	17
Brussels	18	16
Dubai <sup>Note 1</sup>	17	8
Geneva	15	10
Jakarta	14	12
London	18	17
New York	14	12
San Francisco	16	15
Singapore	11	11

<b>ETO</b>	<b>Staff establishment (Number of posts)</b>	<b>Strength (Number of staff)</b>
Sydney	13	13
Tokyo	14	12
Toronto	11	9
Washington	18	14
<b>Total</b>	<b>213</b>	<b>181</b>

Except for the ETOs in Geneva and Washington <sup>Note 2</sup>, the HKSAR Government set up a Dedicated Team for Attracting Businesses and Talents (the Dedicated Team) in each of the other 12 ETOs in December 2022 to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary's Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau, in providing facilitation services for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs, through various means and channels, will proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, promoting Hong Kong's opportunities and advantages, and various talent admission programmes, thereby encouraging talents to settle in Hong Kong. The ETOs will continue to make good use of existing resources to carry out the above work, and we will regularly review the work and manpower requirements of the ETOs.

Note 1: The Dubai ETO was set up on 28 October 2021. In order to allow the ETO to commence operation as soon as possible, the service of agency workers is temporarily used at the early stage of operation. Having consulted the local human resource consultant and relevant government departments, the ETO is now recruiting long-term employees.

Note 2: The Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations. The work on bilateral economic and trade relations with Switzerland is handled by the Berlin ETO. The Washington ETO is mainly responsible for liaising with the political circle in the United States, and the New York ETO is responsible for attracting businesses and talents in the eastern states of the United States.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB129****(Question Serial No. 2898)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has stated that it will assist Hong Kong enterprises and investors in opening up emerging markets along the Belt and Road (B&R) and step up its global promotional efforts. In this connection, will the Government allocate funds to establish new Hong Kong Economic and Trade Offices in various B&R countries (e.g. Africa, South America, Central Asia and Eastern Europe) so as to better promote Hong Kong therein?

Asked by: Hon LAM San-keung (LegCo internal reference no.: 4)

Reply:

To strengthen Hong Kong's trade and economic relations with other places, the HKSAR Government has proactively expanded our network of overseas Hong Kong Economic and Trade Offices (ETOs)<sup>Note 1</sup>, and strived to maintain close communication and contact with overseas interlocutors from different sectors and the international community, so as to explain the HKSAR Government's major policies, promote our unique status under "One Country, Two Systems" and our multi-faceted advantages, as well as the profound opportunities brought about by the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, and to clarify and rebut misinformation about Hong Kong. The 14 ETOs already covered a number of countries along the B&R.

The ETO in Dubai (Dubai ETO) is our first ETO in the Middle East region and commenced operation in late October 2021. Its opening is conducive to strengthening Hong Kong's economic and trade relations with trading partners in the region, in particular the member states of the Cooperation Council for the Arab States of the Gulf<sup>Note 2</sup>, while enhancing our ability to promote and explain the HKSAR Government's various important policies. Apart from that, the Dubai ETO coordinated with and assisted the Chief Executive and his delegation's visit in February 2023 to the Middle East region. The visit was integral to deepening connections with various sectors in the region and uncovering more opportunities for our businesses and professional sectors.

Moreover, in line with the “Competing for Talents and Enterprises” strategy and objective, the Government has set up the Dedicated Teams for Attracting Businesses and Talents (The Dedicated Teams) at 12 overseas ETOs<sup>Note 3</sup> in December 2022, to support the work of the Office for Attracting Strategic Enterprises led by the Financial Secretary and the Hong Kong Talent Engage under the Labour and Welfare Bureau, to provide facilitating service for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs will, through various means and channels, proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, so as to promote Hong Kong's opportunities and advantages, and our various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

The HKSAR Government will continue to, on the basis of Hong Kong's trade interest and needs, proactively explore the feasibility and relevant details in setting up ETOs in various countries, so as to continually develop Hong Kong's global trade network.

Note 1: The 14 ETOs of the SAR Government are located in Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Bangkok, Sydney, Tokyo, Toronto and Washington DC respectively.

Note 2: The member states of the Council are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Note 3: The Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations. The work related to the bilateral economic and trade relations with Switzerland is covered by the Berlin ETO. The Washington ETO is responsible for the liaison work with the political circle in the United States. The work for attracting businesses and talents in the eastern states of the United States is mainly covered by the New York ETO.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB130**

**(Question Serial No. 0269)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding new projects generated and projects completed, please advise:

- (1) which overseas Economic and Trade Offices (ETOs) were responsible for the new projects generated and projects completed respectively in the past two years;
- (2) which overseas ETOs are responsible for the new projects generated and projects completed respectively in 2023-24; and
- (3) the respective manpower, establishment and estimated expenditure involved in each overseas ETO in 2023-24.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 29)

Reply:

For the investment promotion work conducted by the overseas Hong Kong Economic and Trade Offices (ETOs), both the new projects generated and those projects completed in 2021 and 2022 involved 11 ETOs which are located in Bangkok, Berlin, Brussels, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo and Toronto respectively.

Starting from 2023, the newly established Dubai ETO commences its investment promotion work. As such, the estimated new projects to be generated and projects to be completed in 2023 will involve a total of 12 ETOs.

As at 28 February 2023, the 14 ETOs had a strength of 181 staff in total. It is expected that the strength will remain roughly the same in 2023-24. The estimated staff establishment and total operational expenses of individual ETOs are as follows:

ETO	2023-24 (Estimate)	
	Staff establishment (Number of posts)	Total operational expenses* (\$ million)
Bangkok	17	29.5
Berlin	17	32.0
Brussels	17	42.5
Dubai	17	38.7
Geneva	15	51.8
Jakarta	14	26.2
London	19	40.5
New York	14	40.5
San Francisco	16	36.9
Singapore	11	26.7
Sydney	13	30.2
Tokyo	14	38.9
Toronto	11	23.1
Washington	18	42.7

\* Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB131****(Question Serial No. 3207)**Head: (96) Government Secretariat: Overseas Economic and Trade OfficesSubhead (No. & title): (-) -Programme: (-) -Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

So far, Hong Kong has set up Economic and Trade Offices (ETOs) at 14 locations overseas to further Hong Kong's trade and economic interests. What were the operating expenses of the 14 ETOs for each of the past 3 years? What programmes or promotional activities were organised by each of the 14 ETOs in the past year to promote the business opportunities arising from Hong Kong's participation in the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 69)Reply:

The total operational expenses of the 14 overseas Hong Kong Economic and Trade Offices (ETOs) in the past 3 years are as follows:

ETO	Total operational expenses* (HK\$ million)		
	2020-21	2021-22	2022-23 (Revised estimate)
<b>Bangkok</b>	22.2	26.3	28.1
<b>Berlin</b>	25.4	25.6	31.1
<b>Brussels</b>	29.4	31.5	39.0
<b>Dubai<sup>#</sup></b>	-	22.7	31.8
<b>Geneva</b>	32.2	36.5	42.8
<b>Jakarta</b>	13.9	16.7	22.8
<b>London</b>	30.6	33.5	39.0

ETO	Total operational expenses* (HK\$ million)		
	2020-21	2021-22	2022-23 (Revised estimate)
New York	26.4	28.5	32.6
San Francisco	28.1	26.0	30.3
Singapore	20.1	23.5	23.9
Sydney	24.8	26.4	28.3
Tokyo	28.0	29.7	37.1
Toronto	16.2	17.2	20.4
Washington	29.1	27.6	35.7

\* Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

# The Dubai ETO commenced operation on 28 October 2021.

The ETOs have been organising, participating in and supporting various kinds of promotional activities as well as adopting different channels, to promote Hong Kong's unique status under "One Country, Two Systems" and our advantages on various fronts, in particular the immense business opportunities brought by the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development to local commercial and industrial sectors and other stakeholders. Through these activities, the ETOs showcase Hong Kong as a prime location for enterprises to extend their businesses into the markets in Mainland China and Asia, and its strengths in various aspects such as financial services, transportation, logistics, innovation and technology. The ETOs also encourage enterprises to invest and conduct business in Hong Kong, so as to foster the commerce and trade ties between Hong Kong and other places.

In 2022-23, examples of relevant events organised by the ETOs are as follows:

In the Asia-Pacific region, with the coordination and arrangement by the Bangkok ETO, the Chief Executive and the Secretary for Commerce and Economic Development (SCED) attended the APEC Economic Leaders' Meeting in November 2022, during which they, together with Hong Kong business delegation, conducted business visits and told the good stories of Hong Kong in Thailand, as well as encouraged Thai enterprises to come to Hong Kong for development and increasing investments and business. SCED also attended a business seminar-cum-lunch in Bangkok during the visit, to introduce Thai business sectors Hong Kong's connections to the Mainland market and national development strategies, particularly the B&R Initiative and the GBA development, which gave Hong Kong unparalleled edges and immense opportunities. In the same year, the Jakarta ETO organised a business conference and a reception in Kuala Lumpur, Malaysia in May, and took the opportunity to promote Hong Kong as an important springboard to the Mainland China market, being particularly obvious under the context of the B&R Initiative and the GBA. In July, the Tokyo and the Sydney ETOs organised gala dinners in Tokyo, Japan and Sydney, Australia respectively to celebrate the 25th anniversary of the establishment of the HKSAR,

and to encourage local businesses to tap into the vast business potential in the GBA, Mainland China and beyond with Hong Kong as their prime partner. The Singapore ETO hosted a business seminar in Ho Chi Minh City, Vietnam in October for the Vietnamese business community and outlined how to leverage Hong Kong's position as the strategic gateway to the GBA.

In the Middle East region, the Dubai ETO organised a business seminar and luncheon in Abu Dhabi, the United Arab Emirates (UAE) in June 2022 and encouraged participants to tap into the immense investment and business opportunities in Hong Kong arising from national development initiatives under the B&R Initiative and the GBA development. Besides, in February 2023, the Chief Executive led a delegation of business and professional representatives from Hong Kong to visit Saudi Arabia and the UAE and promote Hong Kong as a bridge to the Mainland market and one of the engines for the GBA development, creating a huge space for investment and development. During the visit, the Dubai ETO organised the "Saudi Arabia-Hong Kong Investment Forum and Chinese New Year Gala Dinner" in Riyadh and the "UAE-Hong Kong Business Forum and Chinese New Year Gala Dinner" in Dubai respectively.

In Europe, during a seminar organised by the Brussels ETO in Istanbul, Turkey in September 2022, the ETO highlighted the B&R Initiative, the GBA development, etc., in which Hong Kong would continue to play a key role. In the same year, the Berlin ETO organised business luncheons in Budapest, Hungary and Warsaw, Poland in October and November respectively to promote business opportunities for foreign enterprises to develop in China and Asia through Hong Kong. In addition, in January 2023, the ETO assisted in arranging the Financial Secretary to attend the World Economic Forum held in Davos, Switzerland. The Financial Secretary explained to political and business leaders joining the forum the latest state of Hong Kong's return to normalcy and development opportunities, and exchange views on the GBA development opportunities, etc. In February of the same year, the London ETO also hosted a New Year reception in Edinburgh, the United Kingdom, encouraging Scottish businesses to make best use of the opportunities brought by the GBA development.

In North America, the 4 ETOs (namely the New York, San Francisco, Toronto and Washington ETOs) hosted gala dinners and receptions to celebrate the 25th anniversary of the establishment of the HKSAR in 2022, inviting guests including the representatives of the consulates, local government organisations, academia and business sectors, as well as community leaders, to attend. These 4 ETOs introduced local interlocutors from various sectors to a new era of opportunities emerging from the GBA development and encouraged them to invest and conduct business in Hong Kong.

In 2023, the ETOs will continue to organise, participate in and support various promotional events, as well as to assist in arranging visits to different countries, regions and markets by Principal Officials of the HKSAR Government, with a view to proactively promoting the immense business opportunities brought by the B&R Initiatives and the GBA development, attracting businesses and talents for Hong Kong and making the best endeavours to tell the world the good stories of Hong Kong.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB132****(Question Serial No. 0027)**Head: (96) Government Secretariat: Overseas Economic and Trade OfficesSubhead (No. & title): (-) -Programme: (1) Commercial Relations, (2) Public RelationsControlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Will the Government inform this Committee of the respective staff establishment, expenditure on salary by rank and total expenditure of the Economic and Trade Offices (ETOs) in Washington, New York and San Francisco in the past 3 years and the coming year?

What were the numbers of visits made to the host government and trade organisations by the 3 ETOs and the numbers of US federal government officials, congressional members and staffers they met with in 2020, 2021 and 2022 respectively?

What efforts have been made/are being made/will be made by the 3 ETOs to enable the US society to have a correct understanding of the situation in Hong Kong and dispel their misunderstandings about the social situation in Hong Kong?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 27)

Reply:

The staff establishment of the Hong Kong Economic and Trade Offices (ETOs) in Washington, New York and San Francisco has remained unchanged for 2020-21, 2021-22, 2022-23 and 2023-24. The staff establishment and salaries by rank are as follows :

Rank	2022-23 Monthly Salary	ETO		
		Washington	New York	San Francisco
Administrative Officer Staff Grade A (D6)	HK\$271,800 to HK\$279,850	1	-	-
Administrative Officer Staff Grade C (D2)	HK\$183,850 to HK\$200,950	1	1	1
Senior Administrative Officer	HK\$120,520 to HK\$138,855	2	1	1

Rank	2022-23 Monthly Salary	ETO		
		Washington	New York	San Francisco
Principal Trade Officer	HK\$120,520 to HK\$138,855	1	-	-
Chief Information Officer	HK\$120,520 to HK\$138,855	-	1	-
Investment Promotion Project Officer	HK\$109,000 to HK\$138,855	-	-	1
Locally-engaged staff		13	11	13
<b>Total staff establishment</b>		<b>18</b>	<b>14</b>	<b>16</b>

The personal emoluments and total operational expenses of the above ETOs in the past 3 financial years and the estimate for 2023-24 are as follows :

ETO	2020-21 (HK\$ million)		2021-22 (HK\$ million)		2022-23 (Revised estimate) (HK\$ million)		2023-24 (Estimate) (HK\$ million)	
	Personal emoluments *	Total operational expenses #	Personal emoluments *	Total operational expenses #	Personal emoluments *	Total operational expenses #	Personal emoluments *	Total operational expenses #
<b>Washington</b>	21.3	29.1	19.3	27.6	20.0	35.7	24.5	42.7
<b>New York</b>	14.2	26.4	14.2	28.5	13.0	32.6	18.8	40.5
<b>San Francisco</b>	16.0	28.1	14.9	26.0	14.9	30.3	19.3	36.9

\* Personal emoluments include salaries and allowances. There is an increase of the 2023-24 estimate over the 2022-23 revised estimate due to the increase in the expenses arising from filling of vacancies, staff changes and salary increments.

# Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

In 2020, 2021 and 2022, the number of visits to host governments and trade organisations under Programme (1) “Commercial Relations” and the number of contacts with the United States (US) government officials, congressmen and their staffers under Programme (2) “Public Relations” by the above ETOs are as follows :

Year	Programme (1) “Commercial Relations” Number of visits to host governments and trade organisations <sup>Note 1</sup>	Programme (2)“Public Relations” Number of contacts with the US government officials, congressmen and their staffers
<b>2020</b>	321	306
<b>2021</b>	325	201
<b>2022</b>	330	200

In 2022, as the COVID-19 pandemic situation stabilised, the work of the Washington, New York and San Francisco ETOs resumed to normal levels progressively. The 3 ETOs adopted various means such as in-person meetings, organising and participating in conferences and seminars, and continued to utilise video conferences, teleconferences, social media, weekly newsletters, webinars, etc. to maintain liaison with various sectors in the US (including federal government officials, congressional members and their staffers, state and city government officials, think-tanks, media, academia, cultural sector, business communities and other opinion leaders), to explain the policy initiatives of the HKSAR Government, promote Hong Kong's unique advantages and culture, resolutely refute erroneous reports, clarify misconceptions and foster exchanges with Hong Kong. The ETOs also continued to tell the good stories of Hong Kong and step up efforts in attracting businesses and talents.

The ETOs have been closely monitoring the US Government's policy direction, the US political and economic landscape as well as their media reports, and emphasising to their interlocutors that the HKSAR Government spares no effort in implementing "One Country, Two Systems", following free trade and economic policy, and upholding the core values on which Hong Kong thrived. They have also briefed interlocutors on the latest and actual situation in Hong Kong, such as the latest measures implemented by the HKSAR Government to cope with the COVID-19 pandemic and Hong Kong's arrangement for returning to normalcy. Besides, they have explained to interlocutors the implementation of the National Security Law in Hong Kong to clear up any misunderstandings so as to enable them to have a more comprehensive understanding of Hong Kong and to preserve Hong Kong's international image and Hong Kong-US bilateral relations. The ETOs have also emphasised that Hong Kong and the US have been enjoying mutually beneficial bilateral relations in trade and business.

Besides, in line with the "Competing for Enterprises and Talents" strategy and objective, the HKSAR Government set up Dedicated Teams for Attracting Businesses and Talents (the Dedicated Teams)<sup>Note 2</sup> in ETOs in December 2022 to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary's Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau, in providing facilitation services for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs, through various means and channels, will proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, promoting Hong Kong's opportunities and advantages, and various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

The 3 ETOs in the US will continue to actively liaise with stakeholders from various sectors in the US and foster economic and trade relations between Hong Kong and the US on a mutually beneficial basis.

Note 1 The above figures also cover events in virtual form.

Note 2 The 12 Dedicated Teams have been set up in Bangkok, Berlin, Brussels, Dubai, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo and Toronto ETOs respectively.

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**CONTROLLING OFFICER'S REPLY****CEDB133****(Question Serial No. 0996)**

Head: (96) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2023-24 that the Economic and Trade Offices (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. The Dedicated Teams for Attracting Businesses and Talents set up under the ETOs will continue to provide support to the Office for Attracting Strategic Enterprises and Talents Service Unit. In this connection, please inform this Committee of the following:

1. Members of the United States (US) Senate and the US House of Representatives have recently introduced a new bill to request withdrawal of ETOs of Hong Kong from the US. What are the specific details of the measures for "countering protectionism" as mentioned by the ETOs?
2. Will the number of staff of ETOs in the US be expected to adjust in response to the possible situation? If so, what are the details? If not, what are the reasons?

Asked by: Hon LIAO Cheung-kong (LegCo internal reference no.: 2)

Reply:

The Hong Kong Special Administrative Region (HKSAR) is an inalienable part of the People's Republic of China. The HKSAR Government has repeatedly urged the United States (US) to respect the basic norms governing international relations, stop maliciously interfering in the affairs of the HKSAR, and stop slandering the Hong Kong National Security Law and the false allegations against the improved electoral system of the HKSAR.

The HKSAR Government has been establishing and maintaining economic and trade relations with places around the world in accordance with the “One Country, Two Systems” principle and, pursuant to Article 156 of the Basic Law and legislation of the host countries, set up 14 overseas Economic and Trade Offices (ETOs) as the official representatives of the HKSAR. In their respective jurisdictions and through various means, our ETOs in Washington D.C., New York and San Francisco explain the policy initiatives of the HKSAR Government, promote Hong Kong’s unique advantages and culture, refute erroneous reports, clarify misconceptions and foster exchanges with Hong Kong. ETOs also tell the good stories of Hong Kong and will step up efforts on attracting businesses and talents. As the Permanent Representative of Hong Kong to the World Trade Organization (WTO), the Geneva ETO has been actively promoting free trade and managing trade protectionism on the WTO front.

In August 2020, the US Government announced that all products exported from Hong Kong to the US may no longer be marked as originating in “Hong Kong”, but must be marked to indicate “China”. The HKSAR Government raised strong objection to the US’ requirement. As the US had no intention to withdraw the requirement after consultations, in January 2021 the HKSAR Government requested the WTO Dispute Settlement Body to establish a panel to consider the dispute. The Washington D.C. and Geneva ETOs of the HKSAR Government had actively participated in and complemented the work of the panel with a view to robustly advancing arguments to defend Hong Kong’s interests. In its report published on 21 December 2022, the panel ruled that the US’ origin marking requirement imposed upon Hong Kong products is inconsistent with WTO rules.

Against the background of rising trade protectionism, the ETOs will continue to strengthen the bilateral economic and trade ties with trading partners and closely monitor developments that may affect Hong Kong, with a view to furthering and protecting Hong Kong’s bilateral, plurilateral and multilateral economic and trade interests. The ETOs will continue with their engagement work through different channels to provide various overseas interlocutors with the latest information on Hong Kong and promote Hong Kong developments on multiple fronts.

Currently, the HKSAR Government has no plan to adjust the staff establishment of the ETOs in the US. The ETOs will continue to actively liaise with stakeholders from various sectors in the US and foster economic and trade relations between Hong Kong and the US on a mutually beneficial basis.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB134**

**(Question Serial No. 0969)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) The 2022-23 revised estimate for commercial relations is 24.4% less than the original estimate. Please explain the reasons for it.
- (b) Please list in a table the estimates and staff establishment of the overseas Economic and Trade Offices (ETOs) in 2022-23 and 2023-24.
- (c) Please provide details of arts and cultural or sport events (such as film festivals, arts and cultural performances, roving exhibitions, rugby tournaments and dragon boat festivals) held by the overseas ETOs in the past year.
- (d) Did the relevant overseas ETOs promote cultural exchanges between Hong Kong and countries along the Belt and Road (B&R) last year? What were the details and expenditures involved? Do they have any plan to promote cultural exchanges between Hong Kong and countries along the B&R in the coming year? If yes, what are the details and expenditures involved? If no, what are the reasons?
- (e) Will the overseas ETOs recruit additional cultural staff to promote Hong Kong as an East-meets-West centre for arts and cultural exchanges?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 30)

Reply:

The revised estimate for 2022-23 for Programme (1) Commercial Relations of the overseas Hong Kong Economic and Trade Offices (ETOs) is 24.4% less than the original estimate. This is partly because the work on setting up new ETOs is still in progress, rendering it unnecessary to use the provision reserved for their operating expenses. Besides, other reasons include decreased salary expense due to vacant posts and staff changes, as well as decreased operating expenses by ETOs.

The staff establishment and total operational expenses for the revised estimate for 2022-23 and the estimate for 2023-24 of the 14 ETOs are as follows:

ETO	2022-23 (Revised Estimate)		2023-24 (Estimate)	
	Staff establishment (number of posts)	Total operational expenses* (\$ million)	Staff establishment (number of posts)	Total operational expenses* (\$ million)
<b>Bangkok</b>	17	28.1	17	29.5
<b>Berlin</b>	17	31.1	17	32.0
<b>Brussels</b>	18	39.0	17	42.5
<b>Dubai</b>	17	31.8	17	38.7
<b>Geneva</b>	15	42.8	15	51.8
<b>Jakarta</b>	14	22.8	14	26.2
<b>London</b>	18	39.0	19	40.5
<b>New York</b>	14	32.6	14	40.5
<b>San Francisco</b>	16	30.3	16	36.9
<b>Singapore</b>	11	23.9	11	26.7
<b>Sydney</b>	13	28.3	13	30.2
<b>Tokyo</b>	14	37.1	14	38.9
<b>Toronto</b>	11	20.4	11	23.1
<b>Washington</b>	18	35.7	18	42.7

\* Total operational expenses include personal emoluments, personnel related expenses, departmental expenses and other charges.

Starting from July 2022, the newly established Culture, Sports and Tourism Bureau (CSTB) is responsible for the policy portfolios on arts, culture and creative industries, etc. The ETOs (except the Geneva ETO which specialises in World Trade Organization matters) not only strived to strengthen Hong Kong's economic and trade relationships with foreign countries, but also assisted CSTB and the Leisure and Cultural Services Department under it in organising, sponsoring and participating in different arts and cultural events in the countries/regions under the respective purviews of the ETOs (including the countries along the Belt and Road (B&R)), such as film festivals, concerts, dance performances, arts exhibitions, etc., and invited Hong Kong people from various sectors (including film directors, actors, designers, emerging artists, etc.) to participate in these events. The ETOs also supported Hong Kong's arts and cultural groups of different sizes to conduct exchanges and give performances overseas. The above promotional activities were conducive to Hong Kong's progression into an East-meets-West centre for international cultural exchange and could foster the development of Hong Kong's arts and culture and creative industries.

In 2022, through celebrating the 25th anniversary of the establishment of the HKSAR, the ETOs continued to actively organise/support various arts, cultural and sports events (including in virtual form). Examples are as follows:

- In the Asia-Pacific region, the Bangkok ETO organised “HK for U” roving exhibitions in 6 shopping malls in Bangkok, Thailand from May to November to promote different aspects of Hong Kong to the general public in Thailand, attracting about 6 800 visitors. The Singapore ETO collaborated with the Singapore Chinese Orchestra to present the “Twin Cities Melodies” Chinese concert in June. Almost 500 guests in Singapore were led through a memorable journey revisiting classic Cantopop songs. An exhibition on “Hong Kong: where art thrives” was also organised at the same performance venue to enhance general public’s understanding of Hong Kong’s vibrant arts culture. The Tokyo ETO organised “Hong Kong in Miniature” exhibitions in Tokyo, Japan and Seoul, Korea from July to August and from September to October respectively, during which miniature models made by Hong Kong artists to depict Hong Kong’s traditions, cityscape and aspects of daily life were presented. The exhibitions also promoted Hong Kong as an international city where East meets West, the old blends with the new, and creativity thrives. The Sydney ETO sponsored the hybrid-format (both virtual and physical) dance performance named “Convergence - A Journey of Chinese Dance & Martial Arts” presented by the Hong Kong Dance Company and the Sydney Dance Company in Sydney, Australia in August, to foster cultural exchange between Hong Kong and Australia. The Jakarta ETO sponsored the Asian Film Awards Academy and the Bali International Film Festival to host the “Asian Cinerama – Hong Kong Focus” campaign in September in Jakarta, Indonesia, featuring the screening of 6 Hong Kong movies and in-person interactions between Hong Kong’s filmmakers and the local counterparts in Indonesia to promote Hong Kong’s creative industries.
- In the Middle East region, the Dubai ETO collaborated with a local cinema partner in April to screen the Hong Kong film “Hand Rolled Cigarette” directed by Chan Kin-long. This was the first major cultural event organised by the ETO since its establishment, introducing quality Hong Kong films and talents to audiences in the region.
- In Europe, the Brussels ETO supported the European rehearsal camp and concert tour organised by the Asian Youth Orchestra in Bergamo and 4 other cities in Italy from July to August, showing the HKSAR Government’s efforts to promote international youth exchanges and develop Hong Kong as a major arts and cultural centre in Asia. The Berlin ETO sponsored the Berlin City Cup dragon boat races in Berlin, Germany in September. The ETO also set up a booth and participated in the races with a team to promote Hong Kong. The London ETO co-organised Fashion Hong Kong Sustainable Designer Showcase in London with the Hong Kong Trade Development Council from November to December. The showcase displayed 6 fashion designer labels from Hong Kong. The opening of the showcase featured a panel discussion, during which experts in the fashion and textile industry shared their insights into Hong Kong’s strengths and opportunities in developing sustainable fashion.
- In North America, the Washington ETO supported a lantern festival at the REACH at The John F. Kennedy Center for the Performing Arts from January to February. In May and July, the Toronto ETO sponsored Starlight Chinese Opera Performing Arts Centre to organise the “Canada-Hong Kong Young Cantonese Opera Cultural Exchange” in

Toronto, Canada, which included the Cantonese opera performance, seminar and exhibition on Cantonese opera costumes, to promote Hong Kong's Cantonese opera and cultural development. The San Francisco ETO presented "Ginger Jazz: Cy Leo Jazz Quartet" in San Francisco, the United States in December. Cy Leo Ho Cheuk-yin from Hong Kong, as the harmonicist and band leader, teamed up with a group of musicians from the United States to foster cultural exchange. In the same month, the New York ETO participated in the New Year Countdown Celebration of New York Times Square and sponsored "Fusion, Motion, Inspiration - Hong Kong Rocks!" performance, displaying a cultural fusion of East and West.

In 2023, the ETOs will continue to explore opportunities to organise cultural events, strengthening the cultural exchanges among Hong Kong, the host countries of the ETOs and the countries along B&R. For example, in February, during the Chief Executive's visit to Saudi Arabia and the United Arab Emirates (UAE) with a delegation of business and professional representatives from Hong Kong, the Dubai ETO organised the "Saudi Arabia-Hong Kong Investment Forum and Chinese New Year Gala Dinner" and the "UAE-Hong Kong Business Forum and Chinese New Year Gala Dinner". The ETO invited Hong Kong-based music groups, namely Ensemble Silka and Jazzical, to perform at the gala dinners. The groups played both Chinese and Western instruments to showcase the rich and unique East-meets-West arts and culture of Hong Kong to the audiences.

As promoting cultural exchanges is a part of the overall public relations work of the ETOs, it is difficult to quantify the expenditure involved separately.

Promotion of cultural exchanges between Hong Kong and countries/regions under their respective purviews has always been one of the main functions of the ETOs. The ETOs will continue to make the best use of resources to discharge their duties under a multi-pronged approach and at different levels. At present, there is no plan to recruit dedicated staff to the ETOs to handle cultural matters.

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**CONTROLLING OFFICER'S REPLY****CEDB135****(Question Serial No. 1277)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, the matters requiring special attention of the overseas Economic and Trade Offices (ETOs) in 2023-24 are mainly to continue to step up publicity and public relations efforts and launch promotional campaigns to enhance Hong Kong's international image, and strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity. Will the Government inform this Committee of the expenditure involved in the related work for each of the ETOs in 2022-23? How was the performance of the ETOs? What is the estimated expenditure for the new financial year? What are the specific work plans and performance indicators?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 21)

Reply:

Being the official overseas representatives of the HKSAR Government, the 14 overseas Hong Kong Economic and Trade Offices (ETOs) <sup>Note 1</sup> are committed to maintaining close communication and exchanges with the international community and stakeholders in different sectors, promoting and explaining the Government's important policies and Hong Kong's unique advantages under "One Country, Two Systems".

In 2022-23, in addition to regularly providing local stakeholders with the latest information on Hong Kong through newsletters and social media, the ETOs had direct dialogues with various local stakeholders (including think tanks, academic institutions and business organisations), and met with the media and took the initiative to publish articles to rebut biased reports and to set the record straight. The ETOs also organised webinars for the Chief Executive and principal officials, and assisted in arranging their overseas visits. For example, the Dubai ETO assisted in coordinating the visit of the Chief Executive and the HKSAR delegation to Saudi Arabia and the United Arab Emirates in February 2023. Through the visit, we promoted Hong Kong on all fronts, and enhanced connections between Hong Kong and the Middle East Region in various areas such as trade, investment and culture, with a view to realising business opportunities for Hong Kong.

Besides, in line with the “Competing for Talents and Enterprises” strategy and objective, the HKSAR Government set up Dedicated Teams for Attracting Businesses and Talents (the Dedicated Teams) in ETOs in December 2022 to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary’s Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau, in providing facilitation services for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs, through various means and channels, proactively reached out to high potential and representative strategic enterprises and talents, including liaising with the world’s top 100 universities and Hong Kong residents studying or working overseas, promoting Hong Kong’s opportunities and advantages, and various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

In 2023-24, the ETOs will continue to organise and participate in various events, including conferences, seminars, cultural and arts performances, exhibitions, film festivals and sports events, in collaboration with policy bureaux and departments, relevant organisations (such as Hong Kong Trade Development Council and Hong Kong Tourism Board), chambers of commerce and professional bodies. In line with the overall promotion strategy of the Government, the ETOs will enhance overseas promotion of Hong Kong’s new economic highlights, new cultural horizons, and new tourism experiences; assist in arranging visits for principal officials of the Government to different countries, regions and markets to promote Hong Kong’s advantages as well as various flagship events and occasions. The ETOs will also enhance Hong Kong’s international image and branding through multilateral liaison, strengthen the cohesion of local and overseas Hong Kong people, and actively promote Hong Kong’s unique advantages under “One Country, Two Systems” and Hong Kong’s role under the National 14th Five-Year Plan, as well as the immense business opportunities brought by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, so as to attract businesses and talents to Hong Kong, and make the best endeavours to tell the world the good stories of Hong Kong.

As the above work is part of the overall public relations work of the ETOs, the expenditure and estimated expenditure cannot be quantified separately.

The actual and estimated performance indicators in 2022 and 2023 respectively in respect of public relations work of the 14 ETOs are listed below for reference:

<b>Performance indicators</b>	<b>2022 (Actual) <sup>Note 2</sup></b>	<b>2023 (Estimate) <sup>Note 2</sup></b>
Call on senior government officials/organisations	1 201	1 253
Public relations functions/events (including cultural functions/events)		
organised	637	790
participated	1 236	1 433
Newsletters, pamphlets, press releases issued	2 341	2 660
Number of visitors assisted	1 570	1 719
Public speeches given	406	489



<b>Performance indicators</b>	<b>2022 (Actual)</b> <sup>Note 2</sup>	<b>2023 (Estimate)</b> <sup>Note 2</sup>
Media interviews/briefings given	323	490
Enquiries handled	13 102	13 331

Note 1: The HKSAR Government currently has 14 overseas ETOs which are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

Note 2: Figures also cover events in virtual form.

- End -

**CONTROLLING OFFICER'S REPLY**

**(Question Serial No. 1728)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide details on the specific work of the overseas Economic and Trade Offices (ETOs) of Hong Kong in facilitating the signing of various agreements (e.g. free trade agreements, double taxation avoidance agreements, economic partnership agreements, etc.) between Hong Kong and other countries or separate customs territories from 1 March 2020 to 1 March 2023, including the types of agreements pursued, the countries or separate customs territories with which agreements have been pursued, and the relevant progress (i.e. regarding the signing of agreements, the governments of countries or separate customs territories with which the overseas ETOs have had initial contact and communication, started negotiations, failed in negotiations, and concluded negotiations and prepared to sign or already signed the agreements).

In addition, has the Commerce and Economic Development Bureau formulated any specific work plans and Key Performance Indicators (KPI) for the overseas ETOs to facilitate the signing of various agreements between Hong Kong and other countries or separate customs territories in the coming 3 years? If yes, what are the specific work plans and KPIs? If no, what are the reasons?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 12)

Reply:

To help Hong Kong enterprises and investors expand their markets, the HKSAR Government has strived to strengthen the economic and trade ties with other economies and actively sought to forge Free Trade Agreements (FTAs) and Investment Promotion and Protection Agreements (IPPAs) with more trading partners, thereby promoting the long-term economic development of Hong Kong. The HKSAR Government has signed 8 FTAs with 20 economies<sup>Note 1</sup> and signed 22 IPPAs with 31 overseas economies<sup>Note 2</sup>, covering most of Hong Kong's major trading partners. In terms of FTAs, Hong Kong is conducting

negotiations with Peru. In terms of IPPAs, we have concluded negotiations with Myanmar and Türkiye, and will sign the IPPAs after relevant internal procedures are completed by both parties. Concurrently, we are devoting our best efforts towards concluding negotiations with Bahrain. We will also commence negotiations with Saudi Arabia in the near future.

The HKSAR Government reviews and explores FTA and IPPA targets from time to time. However, due to the sensitivity of relevant discussions, we are unable to disclose details at the moment. We will publicise relevant information in due course.

Apart from FTAs and IPPAs handled by the Commerce and Economic Development Bureau, various other agreements are taken up and handled by different policy bureaux and departments. For instance, the Financial Services and the Treasury Bureau is mainly responsible for the Comprehensive Avoidance of Double Taxation Agreements. The overseas Hong Kong Economic and Trade Offices (ETOs) will provide support and assistance as appropriate, so as to expedite the smooth conclusion of negotiations. ETOs have proactively participated and assisted in facilitating Hong Kong's accession to the Regional Comprehensive Economic Partnership (RCEP), through maintaining close liaison with the trade ministries and stakeholders in RCEP member economies to lobby for their support for Hong Kong's early accession and the commencement of relevant discussions with Hong Kong as soon as practicable.

The ETOs will continue to proactively liaise with Hong Kong's major trading partners through various means such as meeting with overseas interlocutors, conducting conferences, strengthening communication channels with administrations and businesses overseas, promoting and explaining Hong Kong's unique advantages under the National 14th Five-Year Plan, "One Country, Two Systems" and the Guangdong- Hong Kong-Macao Greater Bay Area development, so as to enhance the trade and economic relations between Hong Kong and other regions. We will continue to supervise the work progress of the ETOs.

Note 1: Hong Kong has signed 8 FTAs with 20 economies, including Mainland China (2003), New Zealand (2010), Member States of the European Free Trade Association (EFTA, i.e. Iceland, Liechtenstein, Norway and Switzerland) (2011), Chile (2012), Macao SAR (2017), ASEAN (2017), Georgia (2018), and Australia (2019). All FTAs have come into force.

Note 2: Hong Kong has signed 22 IPPAs with 31 overseas economies, including ASEAN, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, Netherlands, New Zealand, Sweden, Switzerland, United Arab Emirates, and the United Kingdom. All IPPAs have come into force.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB137****(Question Serial No. 1736)**

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development  
(Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To tie in with the development goal of “competing for enterprises” and “competing for talent” proposed by the Chief Executive, Mr John KC Lee, in his Policy Address promulgated last year, will the Commerce and Economic Development Bureau formulate any specific work plans and key performance indicators (KPIs) in respect of “competing for enterprises” and “competing for talent” for various overseas Economic and Trade Offices (ETOs) for the next 3 years, including the number of investment fairs to be held by the ETOs each year, the number of local enterprises to be attracted to invest in Hong Kong each year, the number of news reports and advertisements to be released in the local media and social networks to promote Hong Kong each year, as well as the number of enquiries to be handled each year from local enterprises and talent interested in pursuing development in Hong Kong? If yes, what are the specific work plans and KPIs? If no, what are the reasons?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 13)

Reply:

Being the official overseas representatives of the HKSAR Government, the 14 overseas Hong Kong Economic and Trade Offices (ETOs) <sup>Note 1</sup> are committed to maintaining close communication and exchanges with the international community and stakeholders in different sectors, promoting and explaining the Government's important policies and Hong Kong's unique advantages under “One Country, Two Systems”.

Besides, except for the Geneva and Washington ETOs <sup>Note 2</sup>, the HKSAR Government set up a Dedicated Team for Attracting Businesses and Talents (the Dedicated Team) in each of the other 12 ETOs in December 2022 to support the work of the Office for Attracting Strategic Enterprises under the Financial Secretary's Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau, in providing facilitation services for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs, through various means and channels, will proactively reach out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents

studying or working overseas, promoting Hong Kong's opportunities and advantages, and various talent admission programmes, thereby encouraging talents to settle in Hong Kong.

The performance indicators of the Dedicated Teams (including the estimated performance indicators for 2023) have been included in Head 96 "Government Secretariat: Overseas Economic and Trade Offices" - Programme (3) Investment Promotion. Details are as follows:

Indicator	2023 (Estimate)
New projects generated <sup>Note 3</sup>	378
Projects completed <sup>Note 4</sup>	189

In 2023-24, the Dedicated Teams will continue to proactively approach target enterprises and talents, and promote to them the unique advantages of Hong Kong and provide the latest information on assisting enterprises and talents to set up footholds in Hong Kong, so as to invite them to explore opportunities to develop and work in Hong Kong.

Note 1: The HKSAR Government currently has 14 ETOs which are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

Note 2: The Geneva ETO represents Hong Kong, China in the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, and is mainly responsible for handling issues relating to these organisations. The work on bilateral economic and trade relations with Switzerland is handled by the Berlin ETO. The Washington ETO is mainly responsible for liaising with the political circle in the United States, and the New York ETO is responsible for attracting businesses and talents in the eastern states of the United States.

Note 3: New projects generated refer to those 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.

Note 4: Projects completed refer to 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.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB138****(Question Serial No. 1150)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (5) Trade ControlsControlling Officer: Commissioner of Customs and Excise (Ms Louise HO)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Will the Government advise this Committee of the enforcement effectiveness of the Customs and Excise Department (C&ED) regarding the control on the import and export of strategic commodities in the past 5 years, including:

1. the number of import and export cargo package examined;
2. the number of import and export licences verified;
3. the number of investigation conducted;
4. the number of persons/companies prosecuted in the cases;
5. the amount of fines involved; and
6. the major types of commodities involved in the prosecution cases.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 8)Reply:

Statistics on strategic commodity-related enforcement actions taken by C&ED in the past 5 years (2018-2022) are tabulated below:

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of import and export cargo package examined	101 544	114 429	101 082	113 983	115 728
Number of import and export licences verified	3 527	3 486	3 106	3 696	3 876
Number of investigation conducted	116	157	163	188	139

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Number of persons/ companies prosecuted	59	59	21	41	17
Fine (\$ million)	0.94	0.66	0.29	0.56	0.27
Major types of commodities involved in the prosecution cases	Integrated circuits, information security systems/ equipment	Integrated circuits, information security systems/ equipment	Integrated circuits, information security systems/ equipment	Integrated circuits, information security systems/ equipment	Integrated circuits, information security systems/ equipment

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB139**

**(Question Serial No. 0267)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Ms Louise HO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards continuous improvement to customs clearance services, please inform this Committee of:

1. the numbers of clearance points in Hong Kong and the Guangdong Province under the Single E-lock Scheme (SELS) respectively and list out the clearance points in the Guangdong Province by city;
2. the numbers of goods vehicles under the SELS being inspected by both the Customs and Excise Department (C&ED) and Guangdong Customs in the past 3 years;
3. the manpower, work arrangements and expenditure of C&ED involved in respect of the work to further improve customs clearance services to facilitate efficient passenger and cargo flows across the boundary.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 27)

Reply:

The Single E-lock Scheme (SELS) aims to facilitate inter-modal transshipment cargoes between Hong Kong and the Mainland. It helps reduce repeated inspections on the same consignment by both customs authorities in the Mainland and Hong Kong, with a view to speeding up the flow of cargo. Since the launch of SELS in 2012, more than 37 000 vehicle trips and 7.42 million consignments entering/leaving Hong Kong were processed under SELS. The Customs and Excise Department (C&ED) does not have statistics on the number of vehicles under SELS being inspected by both customs authorities in the Mainland and Hong Kong.

As at February 2023, there were 75 clearance points in total under SELS (13 in Hong Kong and 62 in Guangdong). The locations of the 62 clearance points in Guangdong are listed below (only Chinese names are available):



<b>Guangzhou</b>	
1.	廣州速遞快件監管場所
2.	廣州航空郵件處理中心
3.	南沙綜保區物流區
4.	白雲機場國際1號貨站
5.	廣州白雲機場國際航空貨運站
6.	廣州滘心碼頭
7.	從化區車檢場
8.	聯邦快遞亞太轉運中心
9.	番禺蓮花山港快件場
10.	南沙新港合業通快件海關監管作業場所
11.	華南生物材料出入境公共服務平台
12.	新塘口岸車檢場
13.	廣州開發區進出境貨運車輛檢查場
14.	花都區口岸車檢場
<b>Shenzhen</b>	
15.	中外運平湖倉庫
16.	深圳國際快件運營中心
17.	UPS亞太區深圳轉運中心
18.	深圳郵政國際運營中心
19.	深圳機場國際貨站
20.	前海綜合保稅區
21.	鹽田綜合保稅區
22.	龍崗跨境電商運營中心
23.	坪山綜合保稅區
24.	鹽田港跨境電商運營中心
<b>Zhuhai</b>	
25.	珠海斗門廣豐國際快件中心
26.	珠海洪灣港
27.	珠海西域碼頭
28.	珠海南屏快件監管中心
29.	珠海郵政快件監管中心
<b>Foshan</b>	
30.	佛山市禪城區中外運快件監管現場
31.	佛山市禪城區口岸發展快件監察現場
32.	佛山市三水區三水車檢場
33.	廣東國通物流城快件監管場所
34.	佛山市南海區三山港
35.	佛山市南海區桂江車檢場

<b>Dongguan</b>	
36.	東莞市寮步口岸車檢場
37.	東莞市長安口岸車檢場
38.	東莞市鳳崗口岸車檢場
39.	東莞國際快件監管中心
40.	東莞虎門港啓盈國際快件監管中心
41.	東莞跨境貿易電子商務中心園區
42.	東莞郵政跨境電商監管中心
43.	東莞市常平國際快件監管中心
<b>Jiangmen</b>	
44.	江門市跨境電商快件分揀清關中心
45.	鶴山市南方跨境電子商務快件分揀清關中心
46.	鶴山市萬年松跨境電子商務快件分揀清關中心
47.	開平市跨境電子商務分揀清關中心
<b>Huizhou</b>	
48.	惠州快件中心
49.	惠陽跨境電商分揀清關中心
<b>Zhongshan</b>	
50.	中山市保稅物流中心進出境貨運車輛檢查場
<b><u>Clearance Points outside the Guangdong-Hong Kong-Macao Greater Bay Area (12)</u></b>	
<b>Heyuan</b>	
51.	河源進出境貨運車輛檢查場
<b>Qingyuan</b>	
52.	清遠市清遠車檢場
<b>Shaoguan</b>	
53.	韶關市韶關車檢場
<b>Luoding</b>	
54.	羅定進出境貨運車輛檢查場
<b>Meizhou</b>	
55.	梅州市跨境電商清關中心
<b>Shantou</b>	
56.	汕頭郵政跨境快件清關中心
57.	汕頭寶奧城跨境電子商務分揀清關中心
<b>Zhanjiang</b>	
58.	湛江進出境快件監管中心
59.	湛江進出境快件監管中心遂溪分中心
60.	湛江市跨境電商公共產業中心
61.	湛江粵西跨境電商國際快件監管中心
<b>Maoming</b>	
62.	茂名市外星人跨境電商快件清關監管中心

In 2023-24, C&ED will keep up its efforts in improving customs clearance efficiency to facilitate passenger and cargo flows across the boundary. To further facilitate cross-boundary passenger and cargo flows, the Department will provide customs clearance service for passengers and private cars upon the commissioning of the new clearance facilities at the Automated Car Parks of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port and plans to provide 24-hour customs clearance services for passengers at Shenzhen Bay Control Point. Moreover, C&ED will continue to promote the utilisation of SELS to enhance customs clearance efficiency for cross-boundary inter-modal cargoes; and continue to promote and develop the Hong Kong Authorized Economic Operator Programme, so that accredited local companies may enjoy customs clearance facilitation, such as reduced inspection and prioritised clearance.

In 2023-24, C&ED's estimated expenditure under the Programme "Control and Enforcement" is \$4,561 million, involving an estimated number of 6 223 posts. As improving customs clearance services to facilitate efficient passenger and cargo flows across the boundary constitutes part of the work of the Department, it is difficult to quantify such expenditure separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB140****(Question Serial No. 3208)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Right and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Ms Louise HO)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Regarding the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED), will the Government advise this Committee of:

- (a) the number of spot checks conducted by C&ED under the TDO in 2022; and
- (b) the figures in relation to C&ED's enforcement against the relevant offences under the TDO (including but not limited to the numbers of complaints, investigations and prosecutions) in 2022?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 70)Reply:

Customs and Excise Department (C&ED) officers will conduct spot checks on traders to verify if they have complied with the Orders under the Trade Descriptions Ordinance (TDO) for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. In 2022, the number of spot checks conducted by C&ED in relation to the enforcement of the TDO was 4 082.

The figures in relation to C&ED's enforcement of the TDO in 2022 are as follows:

Type of offence	Breakdown of figures		
	Number of complaints	Number of investigations	Number of prosecutions
False trade descriptions	4 667	71	47
Misleading omissions	177	12	10
Aggressive commercial practices	119	4	6
Bait advertising	5	0	0
Bait and switch	2	0	0

	<b>Breakdown of figures</b>		
<b>Type of offence</b>	<b>Number of complaints</b>	<b>Number of investigations</b>	<b>Number of prosecutions</b>
Wrongly accepting payment	1 103	20	1
Other offences under the TDO <sup>Note</sup>	2	0	2

Note: Such as the offences under sections 4 and 12 of the TDO.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB141**

**(Question Serial No. 2093)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Ms Louise HO)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As it is anticipated that a large number of visitors will come to Hong Kong again after cross-border restrictions are completely lifted, will the Government allocate additional resources and manpower to step up inspections and enforcement actions, and to follow up complaints related to visitors? If yes, what are the details?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 36)

Reply:

The Customs and Excise Department (C&ED) will continue to flexibly deploy resources and actively enforce the Trade Descriptions Ordinance (TDO) by adopting a three-pronged approach, including enforcement, compliance promotion as well as publicity and public education, in order to protect consumers through combatting common unfair trade practices at source.

On enforcement, C&ED has all along taken active steps to handle the complaints received by conducting in-depth investigations and collecting relevant evidence. In addition, to ensure traders' compliance with the law, C&ED conducts different forms of patrols, including test purchases, with high-risk products and shops under repeated complaints as targets.

In addition, C&ED has set up a "Quick Response Team" to expedite the handling of complaints on suspected contravention of the TDO filed by short-term visitors during their stay in Hong Kong. The "Quick Response Team" will handle and follow up promptly upon receiving complaints to combat unscrupulous shops.

During festive seasons, C&ED officers will conduct patrols and distribute pamphlets at various popular tourist shopping areas to enhance tourists' understanding of unfair trade practices, and to inform them of the ways and channels for seeking assistance from C&ED.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB142****(Question Serial No. 1508)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Rights and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Ms Louise HO)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

With regard to combating unfair trade practices, will the Government inform this Committee of:

1. the figures on enforcement actions taken by the Customs and Excise Department (C&ED) in 2022 (set out in the table below):

	(i) Beauty	(ii) Fitness	(iii) Renovation	(iv) Catering and tourism
(a) Number of complaints received				
(b) Number of complaints that can be followed up				
(c) Number of persons prosecuted				
(d) Number of persons convicted				

2. referring to the above question, what were the (a) manpower, (b) expenditure on emoluments and (c) expenditure on equipment set aside by C&ED for such law enforcement work in 2022?

Asked by: Hon TANG Ka-piu (LegCo internal reference no.: 22)

Reply:

The figures on the enforcement actions taken by the Customs and Excise Department (C&ED) in relation to the Trade Descriptions Ordinance (TDO) in 2022 are as follows:

	<b>Beauty</b>	<b>Fitness</b>	<b>Renovation</b>	<b>Catering and tourism</b>
Number of complaints received	379	211	192	1 042
Number of complaints that can be followed up*	11	2	5	20
Number of persons prosecuted (companies/ persons)	8	3	12	17
Number of persons convicted (companies/persons)^	6	11	8	14

Note: \* Number of cases opened for detailed investigation after consolidation (some cases involve more than one complaint).

^ Some of the companies/ persons convicted involve prosecution cases in earlier years.

In 2022-23, a total of 231 C&ED officers were responsible for the enforcement of the TDO in handling reporting, investigation and relevant enforcement work related to the TDO, which had incurred an expenditure of about \$134 million. It is difficult to quantify the manpower, as well as the expenditures on emoluments and equipment involved separately.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB143**

**(Question Serial No. 2445)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Matters Requiring Special Attention in 2023-24, it is mentioned that the Department will support the implementation of the pilot project for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland. In this connection, please inform this Committee of the following:

1. The number of qualified invention patent applications filed by Hong Kong applicants in the Mainland for which prioritised examination has been approved in the past 2 years.
2. The number of conferences, forums or exchange activities which the Intellectual Property Department, in collaboration with the counterparts in the Guangdong Province, the Guangdong-Hong Kong-Macao Greater Bay Area, the Pan-Pearl River Delta region on intellectual property (IP) and related developments, has facilitated in the past 2 years.
3. As stated in the 2022 Policy Address, the Government will press ahead with the development of Hong Kong into a regional IP trading centre by enhancing the promotion of IP public education and capacity building. Over the past 2 years, how many personnel across different industries have been provided with IP training, and what is the corresponding increase in the number of personnel?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 15)

Reply:

The China National Intellectual Property Administration (CNIPA), in collaboration with the Intellectual Property Department (IPD) and the intellectual property (IP) authorities of Guangdong Province and Shenzhen, launched a pilot project on 1 January 2023 for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland, which facilitates Hong Kong applicants to seek patent protection in the Mainland. Although the pilot project has just been launched at the beginning of this year, we understand that some Hong Kong applicants have already submitted applications for

prioritised examination in the Mainland. The IPD, together with CNIPA, will continue to review the implementation of the facilitation measure.

The IPD has been working closely with the IP authorities of the Guangdong Province, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Pan-Pearl River Delta (Pan-PRD) region to promote cross-boundary IP trading and services. Although the implementation of some co-operation projects have been postponed due to the pandemic situation in recent years, the IPD and the IP authorities of the Guangdong Province and the Macao Special Administrative Region had managed to complete 19 co-operation projects under the framework of the Expert Group on the Protection of IP Rights over the past 2 years or so, including conferences, forums and exchange activities, etc. The major projects completed included the GBA IP Trade Expo and International Geographical Indications Products Trade Expo, the GBA IP Rights Talent Development Conference and IPR Talent Supply and Demand Matchmaking Series, the Guangdong/Hong Kong Seminar on IP and Development of Small and Medium Enterprises (Online), and the GBA High-value Patent Portfolio Layout Competition. Regarding co-operation in the Pan-PRD region, about 50 IP officials from the region had participated in a webinar “Implement the National 14th Five-Year Plan, Promote the Development of IP Trading” held by IPD in July 2021 for discussion and exchange.

On capacity building, the IPD launched the IP Manager Scheme for small and medium enterprises in May 2015 with a view to enhancing their IP manpower capacity and boosting competitiveness through IP management and commercialisation. To meet the development needs of enterprises, the IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops. Up to February 2023 in the 2022-23 financial year, 1 618 participants had taken part in such training, representing an increase of about 30% over the 1 238 participants in the 2021-22 financial year. The participants were from different sectors, including science and technology, legal services, IP service providers, academia, manufacturing, business services, accounting, financing, insurance, real estate, import and export trading, etc. The IPD will continue to enhance the above Scheme and training courses to provide IP training to different sectors.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB144**

**(Question Serial No. 1704)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding patent applications, please advise on the following:

- 1) the reasons for the change in the actual numbers of applications for standard patents by original grant received in 2021 and 2022, and the basis used in setting the estimated indicator in 2023;
- 2) the reasons for the decrease in the actual and estimated numbers of standard patents by re-registration and short-term patents granted over the years;
- 3) it is stated under “Matters Requiring Special Attention in 2023-24” that “the Department will continue to meet the challenges associated with processing a voluminous intake of patent filings”. As the estimated numbers in 2023 are less than those in the past 2 years, how is the year of 2023-24 different from the past years? Does the increase of the estimated financial provision to \$184.3 million cover an increase in manpower for meeting the challenges mentioned by the Department?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 30)

Reply:

The “original grant patent” (OGP) system was launched in December 2019. The total numbers of applications for standard patents by original grant received by the Patents Registry (the Registry) were 257 in 2021 and 133 in 2022. The decrease was mainly due to 1 foreign enterprise which had filed 117 applications in 2021 did not file any application in 2022. If the applications filed by this enterprise were not taken into account, the numbers of applications for standard patents by original grant were largely in line with the Intellectual Property Department (IPD)’s original estimation, i.e. about 100 to 200 applications per year. IPD estimates that the number of applications for standard patents by original grant in 2023 is 190. When setting the estimated indicator for 2023, the IPD had taken into account various factors such as the volume of applications for standard patents by original grant in previous years, the trends of demand for patent applications in and outside Hong Kong over

the recent years, the overall economic situation, etc. The estimated indicator is also in line with the IPD's original estimation of about 100 to 200 applications per year.

The Registry granted 14 655 and 11 573 standard patents by re-registration in 2021 and 2022 respectively, and the numbers in these two years were the highest ever. This illustrates a significant surge in the demand for standard patents by re-registration in recent years, when compared with the annual average of granting about 6 500 patents over the past decade (i.e. from 2011 to 2020). As for short-term patents, the Registry granted 684 and 535 patents in 2021 and 2022 respectively. Comparing to the annual average of granting 567 short-term patents over the past decade (i.e. from 2011 to 2020), the number of short-term patents granted in 2022 was lower. The demand for short-term patents might be affected by the pandemic and the overall economic situation.

When setting the estimated indicators for 2023, the IPD had taken into account various factors such as the volume of applications for different types of patents in previous years, the trends of demand for patent applications in and outside Hong Kong over the recent years, the overall economic situation, etc. IPD estimates that the number of applications for standard patents by re-registration will remain high at around 20 000 for the fourth consecutive year while the number of standard patents by re-registration granted will remain high at over 10 000 for the third consecutive year. In this connection, in order to cope with the growth, the Registry has deployed manpower to enhance its capacity for processing the applications for patents.

In addition, the IPD will continue to enhance the capability of the examiners under the OGP system. As set out in the 2022 Policy Address, the IPD will progressively increase the number of its patent examiners to about 100, with a view to acquiring institutional autonomy in conducting substantive patent examination by 2030. An additional funding totalling \$10 million will be allocated to the IPD in the 2 years 2023-24 and 2024-25 for employing and nurturing more patent examiners. The IPD's medium-term goal is to expand the patent examination team to about 40 examiners in 2025.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB145**

**(Question Serial No. 2903)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government and the private market play an equally important role in building Hong Kong as a regional intellectual property trading centre. Apart from employing and nurturing patent examiners, will the Government allocate additional funding to support the nurturing of practitioners and lawyers engaging in patent trading in the private sector? If yes, what are the details? If not, what are the reasons?

Asked by: Hon LAM San-keung (LegCo internal reference no.: 6)

Reply:

The 2022 Policy Address has announced that the Government will further develop Hong Kong into a regional intellectual property (IP) trading centre from 3 aspects in the short, medium and long term, namely strengthening protection of IP rights, building capacity and promoting widely.

On capacity building, the Intellectual Property Department (IPD) launched the IP Manager Scheme for small and medium enterprises (SMEs) in 2015 with a view to enhancing their IP manpower capacity and boosting competitiveness through IP management and commercialisation. To meet the business development needs of enterprises, the IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops, the content of which covers IP audit and due diligence, management and strategies of patent commercialisation, management and strategies of technology transfer, etc., for enrolment by practitioners in different sectors engaging in IP trading (including lawyers). Some of the training courses and practical workshops on legal professional issues are recognised by the Law Society of Hong Kong, enabling legal practitioners participating in the relevant training to obtain points under its continuing professional development scheme.

Up to February 2023, more than 6 100 practitioners had attended the relevant training courses and practical workshops. The participants of these training programmes were from different sectors, including science and technology, legal service, IP service providers, academia,

manufacturing, business services, accounting, financing, insurance, real estate, import and export trading, etc. The IPD will continue to enhance the above Scheme and training courses to provide IP training to different sectors. It is expected that the training courses and practical workshops will continue to attract more than 1 000 participants in the 2023-24 financial year.

In addition, the IPD has been actively supporting the Department of Justice (DoJ) in promoting IP mediation and arbitration services. Major collaboration includes:

- Since 2015, the DoJ has been organising a thematic session on resolution of IP disputes annually at the Business of IP Asia Forum co-organised by the Government with the Hong Kong Trade Development Council and the Hong Kong Design Centre. The thematic session for the 2022 Forum, was “IP and Dispute Resolution in the New Frontiers – Metaverse, Non-fungible Tokens and Greater Bay Area”.
- The provisions in relation to IP disputes under the Arbitration (Amendment) Ordinance 2017 came into effect in January 2018, clarifying that IP disputes could be settled by arbitration, and that the arbitral awards concerned could be enforced in Hong Kong.
- Since 2017, the IPD has been supporting the DoJ annually in organising the “Mediate First” Pledge campaign or the Mediation Conference, and promoting such activities to enterprises participating in the IPD’s IP Manager Scheme.
- Since 2017, the DoJ has been sending representatives to attend the IP training programmes organised by the IPD, including regular courses on “IP Basics” and courses dedicated to mediation of IP disputes, to introduce to local SMEs the benefits of resolving IP disputes by mediation and the procedures involved.

The above initiatives are implemented as part of IPD’s regular work. It is therefore difficult to quantify the resources involved separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB146**

**(Question Serial No. 0275)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of development of Hong Kong into a regional intellectual property (IP) trading centre as mentioned in the Matters Requiring Special Attention in 2023-24, please advise on:

1. the progress of work to promote IP trading in the past 3 years; and
2. the expenditure, manpower, staff establishment, work plan and timetable for promoting the development of IP trading in 2023-24.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 35)

Reply:

The 2022 Policy Address has announced that the Government will further develop Hong Kong into a regional IP trading centre from 3 aspects in the short, medium and long term, namely strengthening protection of IP rights, building capacity and promoting widely. The major progress made by the Intellectual Property Department (IPD) to promote IP trading in the past 3 years and the key work plans for 2023-24 are summarised as follows:

***Strengthen protection of IP rights***

- The “Original Grant Patent” (OGP) system was launched in December 2019, enabling applicants to file their standard patent applications direct in Hong Kong. The IPD will further promote and develop the OGP system. An additional funding of about \$5 million will be allocated to the IPD in 2023-24 for employing and nurturing more patent examiners as well as progressively developing a talent pool, with a view to acquiring institutional autonomy in conducting substantive patent examination by 2030. Besides, to encourage the innovation and technology sector to forge ahead with more research and development (R&D) activities and create more patented inventions with market potential, we will introduce a “patent box” tax incentive to provide tax concessions for profits sourced in Hong Kong from qualifying patents generated through R&D activities. We will consult

the trade on the “patent box” tax arrangements within this year and formulate a competitive concessionary tax rate applicable to Hong Kong. Our target is to submit the legislative amendments to the Legislative Council (LegCo) in the first half of 2024.

- The LegCo enacted the Trade Marks (Amendment) Ordinance 2020 in June 2020, providing a basis in Hong Kong Law for the application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) in Hong Kong. The Government is pressing ahead with the necessary preparatory work, including preparing the related subsidiary legislation, finalising the workflow for processing trade mark registration applications filed under the international registration system, preparing for the roll-out of the required information technology system, arranging manpower training, etc. The relevant preparatory work has entered the final stage and is targeted to be completed within this year. In particular, we plan to table the related subsidiary legislation in the LegCo in the first half of this year for negative vetting. Upon completion of the necessary preparatory work, we will seek formal agreement from the Central People’s Government to apply the Madrid Protocol to Hong Kong.
- The Copyright (Amendment) Ordinance 2020 came into operation in June 2020 to enhance the copyright exceptions relating to persons with a print disability. To strengthen copyright protection in the digital environment, the Copyright (Amendment) Ordinance 2022 (the Amendment Ordinance) will come into operation on 1 May this year. The IPD will launch a series of promotional and educational activities to raise the awareness and understanding of the Amendment Ordinance amongst stakeholders and the general public. After the new legislation comes into operation, the Government will embark on a new round of review upon with a view to enhancing the competitiveness of our copyright regime.
- On facilitation measures for cross-boundary IP protection, the China National Intellectual Property Administration, in collaboration with the IPD and the IP authorities of Guangdong Province and Shenzhen, launched a pilot project on 1 January 2023 for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland, which facilitates Hong Kong applicants to seek patent protection in the Mainland. In addition, with the support of the IPD, the Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) has progressively set up the “Hong Kong Special Administrative Region Intellectual Property Enquiry Points” in 13 cities in the Guangdong Province since October 2021 to facilitate Mainland residents and enterprises to enquire about matters relating to applications for IP registration in Hong Kong. With the assistance of the Mainland authorities, the IPD also launched a reciprocal enquiry service in February this year, through which Hong Kong residents and enterprises can enquire about matters relating to applications for trade mark registration in the Mainland via email. The IPD and the Mainland authorities will continue to review the implementation of the relevant services and explore the feasibility of enhancing and expanding these services.

### ***Build capacity***

- The IPD launched the IP Manager Scheme for small and medium enterprises (SMEs) in May 2015 with a view to enhancing their IP manpower capacity and boosting competitiveness through IP management and commercialisation. To meet the



development needs of the enterprises, the IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops. Up to February 2023, more than 6 100 practitioners had taken part in such training. The IPD will continue to enhance the above Scheme and training courses to provide IP training to different sectors. It is expected that the training courses and practical workshops will continue to attract more than 1 000 participants in the 2023-24 financial year. Moreover, the IPD has been providing free IP consultation services for SMEs. From the pilot launch of the initiative in December 2014 to February 2023, over 590 SMEs had participated in the initiative. Since January 2023, the Law Society of Hong Kong has increased the number of lawyers on the team providing the services and extended the duration of each consultation session.

### ***Promote widely and education***

- The Government has been co-organising the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre every year since 2013. The 2022 Forum was held on 1 and 2 December 2022, and attracted over 14 500 participants of different sectors from 46 countries and regions joining the Forum online and in person. The 2023 Forum will be held on 7 and 8 December 2023.
- In October 2021, the IPD released publicity videos to promote Hong Kong's competitive edge of developing into a regional IP trading centre under the auspices of the National 14th Five-Year Plan, and the supporting services provided by the IPD. To strengthen the promotion of the national support for Hong Kong to develop into a regional IP trading centre, the IPD had worked with Radio Television Hong Kong to produce a television series named "IP • New Opportunities" for broadcast in May 2022 and plans to launch a new series of television programme to promote IP trading in 2023-24.
- On 23 February 2023, the Commerce and Economic Development Bureau and the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen Municipality jointly promulgated the "16 Co-operation Measures for the Development of the Qianhai Shenzhen-Hong Kong Intellectual Property and Innovation Hub" (the 16 co-operation measures) which cover co-operation in IP protection, exploitation and transformation, exchange and study, promotion and education, and IP trading. The IPD will continue to work closely with the IP authorities of the Mainland to promote IP protection, management and trading under various collaborative frameworks such as the Guangdong/Hong Kong Expert Group on the Protection of IP Rights, the Pan-Pearl River Delta IP Co-operation Joint Conference and the 16 co-operation measures. To enhance cross-boundary co-operation on IP trading and services, the IPD also plans to strengthen the IP co-operation programmes related to the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and encourages GBA enterprises to make use of Hong Kong's professional services, such as IP agencies, management and consulting, legal services, arbitration, mediation, accounting, etc.
- In December 2022, the IPD co-organised with the ASEAN Working Group on IP Cooperation an "Online Workshop on IP Commercialisation in a Knowledge-based Economy" which attracted over 500 accumulated live views. The IPD will continue to collaborate with IP authorities in the Mainland and overseas to promote IP trading and IP commercialisation, including participating in conferences and seminars organised by

international and regional IP organisations such as the World Intellectual Property Organization and the Asia Pacific Economic Cooperation's Intellectual Property Rights Experts Group, and signing memorandums of understanding with other economies to foster co-operation and promote IP commercialisation.

Promotion of IP trading is part of the IPD's regular work. It is therefore difficult to quantify the resources involved separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB147**

**(Question Serial No. 0146)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the protection of intellectual property (IP), does the Government have measures to enhance the mechanism for handling cross-boundary IP disputes between Hong Kong and the Mainland? If yes, what are the details? The 2022-23 Budget proposed collaboration with the Department of Justice to promote IP mediation and arbitration services. What are the details of the results of the collaboration? Will additional resources be set aside for the relevant promotion work in the coming year? If yes, what are the manpower and expenditure involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 1003)

Reply:

The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (the Arrangement) was signed between the Supreme People's Court of the People's Republic of China (PRC) and the Government of the Hong Kong Special Administrative Region (HKSAR) in January 2019. The Arrangement establishes a more comprehensive mechanism for reciprocal recognition and enforcement of judgments in civil and commercial matters between the HKSAR and the Mainland, covering judgments on disputes over IP rights (including copyright, trade marks, designs, layout-design of integrated circuits, etc.). The Arrangement aims to reduce the need for re-litigation of the same disputes in both places, offering better protection to the parties' interests. The Arrangement will be implemented by local legislation in Hong Kong and the Department of Justice (DoJ) will liaise with the Mainland as to the date on which the Arrangement will take effect in both places simultaneously. The Intellectual Property Department (IPD) has all along been participating in the study of the relevant IP issues and providing assistance and advice to the DoJ.

Arbitration and mediation are also effective means to resolve IP disputes (including cases that involve parties from different jurisdictions). In 2017, an Investment Agreement was signed under the framework of the Mainland and Hong Kong Closer Economic Partnership

Arrangement between the HKSAR Government and the Ministry of Commerce of the PRC, and a “Mediation Mechanism for Settling Investment Disputes” was established under the Investment Agreement for handling disputes arising from an alleged breach of the substantive obligations of the Agreement by one side causing loss to an investor of the other side. As the Investment Agreement is applicable to cross-boundary IP investment disputes arising from its framework, investors may handle cross-boundary IP disputes arising from the Investment Agreement by mediation according to the “Mediation Mechanism for Settling Investment Disputes”.

In addition, the IPD has been actively supporting the DoJ in promoting IP mediation and arbitration services. Major collaboration includes:

- Since 2015, the DoJ has been organising a thematic session on resolution of IP disputes annually at the Business of IP Asia Forum co-organised by the Government with the Hong Kong Trade Development Council and the Hong Kong Design Centre. The thematic session for the 2022 Forum was “IP and Dispute Resolution in the New Frontiers – Metaverse, Non-fungible Tokens and Greater Bay Area”.
- The provisions in relation to IP disputes under the Arbitration (Amendment) Ordinance 2017 came into effect in January 2018, clarifying that IP disputes could be settled by arbitration, and that the arbitral awards concerned could be enforced in Hong Kong.
- Since 2017, the IPD has been supporting the DoJ annually in organising the “Mediate First” Pledge campaign or the Mediation Conference, and promoting such activities to enterprises participating in the IPD’s IP Manager Scheme.
- Since 2017, the DoJ has been sending representatives to attend the IP training programmes organised by the IPD, including regular courses on “IP Basics” and courses dedicated to mediation of IP disputes, to introduce to local small and medium enterprises the benefits of resolving IP disputes by mediation and the procedures involved.

The IPD will continue to collaborate with the DoJ to promote arbitration and mediation as a means to resolve IP disputes. Such efforts are part of the regular promotional, educational and marketing work of the IPD, and it is therefore difficult to quantify the resources involved separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB148****(Question Serial No. 0151)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To promote the development of Hong Kong into an intellectual property trading centre, the Government will seek to implement the international trade mark registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks as early as possible. What is the latest progress in taking forward the preparatory work for the implementation of the Protocol? What are the respective expenditures incurred by the Government on arranging manpower training for processing applications filed under the international registration system and launching publicity work to promote the international registration system in the next financial year? Regarding the establishment of a mutual recognition and unified co-ordination mechanism for trade mark registrations in the Mainland and Hong Kong, will the Government formulate some feasible special arrangements or measures to facilitate cross-boundary trade mark applications by applicants in both places? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 1002)

Reply:

To enable the early implementation of the international trade mark registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) in Hong Kong, the Government is pressing ahead with the necessary preparatory work, including preparing the related subsidiary legislation, finalising the workflow for processing trade mark registration applications filed under the international registration system, preparing for the roll-out of the required information technology system, arranging manpower training, etc. The relevant preparatory work has entered the final stage and is targeted to be completed within this year. In particular, we plan to table the related subsidiary legislation in the Legislative Council in the first half of this year for negative vetting. Upon completion of the necessary preparatory work, we will seek formal agreement from the Central People's Government to apply the Madrid Protocol to Hong Kong.

The various preparatory work for implementing the international trade mark registration system will be carried out by the Intellectual Property Department (IPD) with existing resources, and cannot be quantified separately.

Intellectual property (IP) protection is in general territorial in nature. Different jurisdictions have their own IP protection systems and laws to deal with different IP issues and policies (including applications for IP registrations). Mainland China and Hong Kong are separate jurisdictions, and each will handle trade mark registration matters in accordance with its own IP protection system and law.

To facilitate cross-boundary IP protection between the Mainland and Hong Kong, the IPD has all along been exploring with the relevant Mainland IP authorities the feasibility of implementing cross-boundary IP protection facilitation measures (including measures for trade marks). In this connection, with the support of the IPD, the Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) has progressively set up the “Hong Kong Special Administrative Region Intellectual Property Enquiry Points” in 13 cities in the Guangdong Province since October 2021 to facilitate Mainland residents and enterprises to enquire about matters relating to applications for IP registration in Hong Kong. With the assistance of the Mainland authorities, the IPD also launched a reciprocal enquiry service in February this year, through which Hong Kong residents and enterprises can enquire about matters relating to applications for trade mark registration in the Mainland via email. The IPD and the Mainland authorities will continue to review the implementation of the relevant services and explore the feasibility of enhancing and expanding these services.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB149**

**(Question Serial No. 1245)**

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The National 14th Five-Year Plan has expressed clear support for Hong Kong to develop into an international innovation and technology centre. It will certainly promote more new inventions and new patents, and attract talents from around the world to Hong Kong to develop new products. Meanwhile, the Policy Address has also announced the development of Hong Kong into a regional intellectual property (IP) trading centre. In this year's Budget, the provision for IP protection is 8.3% higher than the revised estimate for 2022-23, amounting to around \$71 million. In this connection, will the Government inform this Committee of:

- (a) the total number of applications received by the Intellectual Property Department (IPD) to help identify, protect, manage, exploit and commercialise IP assets in Hong Kong and in the region over the past 5 years;
- (b) the total number of enterprises assisted by IPD to have successfully applied for trade marks and patents in Hong Kong, Mainland China and overseas over the past 5 years; and
- (c) whether IPD has any plan to establish with the Mainland a mechanism for mutual recognition of patents and trade marks. If yes, what are the details? If no, what are the reasons?

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 25)

Reply:

The Trade Marks Registry, the Patents Registry and the Designs Registry under the Intellectual Property Department (IPD) are responsible for matters relating to registrations of trade marks, patents and designs respectively in the Hong Kong Special Administrative Region in accordance with the relevant legislation. The numbers of applications for and registrations of intellectual property (IP) rights in Hong Kong over the past 5 years are as follows:

<b>Number of applications (number of registrations in brackets)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Standard patents by re-registration	15 986 (9 651)	16 521 (6 780)	21 302 (7 658)	21 686 (14 655)	20 031 (11 573)
Standard patents by original grant <sup>#</sup>	Not applicable	11 (-)	254 (-)	257 (7)	133 (29)
Short-term patents	791 (763)	791 (520)	689 (729)	552 (684)	579 (535)
Trade marks	40 331 (34 970)	36 980 (33 371)	33 708 (34 743)	35 240 (32 719)	29 432 (30 630)
Designs	2 583 (4 547)	2 576 (4 579)	2 015 (5 045)	1 882 (4 206)	1 672 (3 319)
<b>Total</b>	<b>59 691 (49 931)</b>	<b>56 879 (45 250)</b>	<b>57 968 (48 175)</b>	<b>59 617 (52 271)</b>	<b>51 847 (46 086)</b>

<sup>#</sup> The Patents Registry began to accept applications for standard patent by original grant on 19 December 2019.

The IPD also encourages and supports the industry to engage in IP trading (including identification, protection, management, exploitation and commercialisation of IP assets) in Hong Kong and the region through various initiatives, such as the IP Manager Scheme and related training as well as the free IP consultation services. For example, the training course “IP Management and Protection in the Mainland” under the IP Manager Scheme helps participants to better understand and grasp the basics of the IP system in the Mainland, focusing on the registration requirements, protection mechanisms and management strategies of IP rights, etc. in the Mainland.

IP protection is in general territorial in nature. Different jurisdictions have their own IP protection systems and laws to deal with different IP issues and policies (including applications for IP registrations) and there is no direct reciprocal recognition of IP registrations granted by other jurisdictions. However, facilitation measures on cross-boundary IP protection can be implemented through bilateral or multilateral arrangements, shortening the procedures and lead time for filing multiple applications for registrations in different jurisdictions. For example, a patent office may take into consideration the search and substantive examination reports issued by other patent authorities to minimise the need for repetitive examination, thereby facilitating the applicants.

Mainland China and Hong Kong are separate jurisdictions, and will handle patent and trade mark registration matters in accordance with their own IP protection systems and law. To facilitate cross-boundary IP protection between the Mainland and Hong Kong, the IPD has all along been exploring with the relevant Mainland IP authorities the feasibility of implementing cross-boundary IP protection facilitation measures. On patents, under the existing “re-registration” patent system in Hong Kong, an applicant may file an application for “standard patent by re-registration” in Hong Kong to seek protection for an invention in Hong Kong for up to 20 years, provided that a corresponding invention patent application for



the same invention has already been filed with the China National Intellectual Property Administration (CNIPA) <sup>Note</sup>. The Patents Registry is only required to conduct a formality examination of the relevant application, but not a substantive examination. To facilitate Hong Kong applicants to seek patent protection in the Mainland, the CNIPA, in collaboration with the IPD and the IP authorities of Guangdong Province and Shenzhen, launched a pilot project on 1 January 2023 for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland.

Hong Kong has implemented the original grant patent system since 2019. The IPD is progressively expanding its examination team, with a view to acquiring institutional autonomy in conducting substantive examination of applications covering the necessary scientific and engineering fields by 2030. The concerned search and substantive examination reports will also serve as a basis for exploring bilateral facilitation measures with other jurisdictions in the future.

In addition, with the support of IPD, the Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) has progressively set up the “Hong Kong Special Administrative Region Intellectual Property Enquiry Points” in 13 cities in the Guangdong Province since October 2021 to facilitate Mainland residents and enterprises to enquire about matters relating to applications for IP registration in Hong Kong. With the assistance of the Mainland authorities, the IPD also launched a reciprocal enquiry service in February this year, through which Hong Kong residents and enterprises can enquire about matters relating to applications for trade mark registration in the Mainland via email. The IPD and the Mainland authorities will continue to review the implementation of the relevant services and explore the feasibility of enhancing and expanding these services.

Note : Applicants can also apply for a “standard patent by re-registration” in Hong Kong via the “re-registration” route on the basis of a corresponding patent application previously filed with the United Kingdom Intellectual Property Office and the European Patent Office (for patent applications designating the United Kingdom).

- End -

**CONTROLLING OFFICER'S REPLY****CEDB150****(Question Serial No. 0397)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, Invest Hong Kong's budget will increase by 22.7%, which will be mainly used to strengthen global investment promotion in key sectors related to family offices, financial technology and financial services and innovation and technology. In this regard, will the Government inform this Committee of Invest Hong Kong's specific work plans with details, the expenditure of various projects, and whether there is a need for an increase in manpower establishment in the coming year?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 13)

Reply:

The increase in funding provisions for Invest Hong Kong (InvestHK) is mainly for strengthening InvestHK's work in attracting more family offices to set up and operate in Hong Kong as announced in the 2023-24 Budget, as well as for strengthening InvestHK's work at all fronts as announced in the 2022-23 Budget.

In the 2023-24 Budget, \$100 million will be allocated to InvestHK over the next 3 years for attracting more family offices to Hong Kong. Major work plans include developing a high impact market and public relations strategy, organising flagship events, launching global marketing campaigns and developing various stakeholder engagement initiatives to promote Hong Kong as a family office hub.

Separately, as announced in the 2022-23 Budget, InvestHK has been allocated additional recurrent funding of around \$90 million in phases starting 2022-23. The additional recurrent provisions have been deployed to implement proactive and forward-looking promotion strategies at key global target markets, enhancing investment promotion in the Mainland and overseas, and consolidating investment promotion efforts in priority sectors such as innovation and technology (I&T), financial services and fintech. For example, going forward, InvestHK will expand The Global Fast Track Programme and continue to organise the annual Hong Kong Fintech Week, sponsor various promotional activities, develop

marketing collateral and deepen the current work in close partnership with other parties in the I&T ecosystem through global promotional activities.

The expenses involved will be subsumed under the overall estimated expenditure of InvestHK which include administrative overhead expenses and hence cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB151**

**(Question Serial No. 0405)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the 2022 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, the total number of regional headquarters (RHQs), regional offices and local offices in Hong Kong with parent companies located outside Hong Kong was 8 978 in 2022, representing a decrease of 71 companies compared with the same period last year, and it was also the first time since 2019 that such number fell below 9 000. Among these foreign companies, 1 411 were RHQs in Hong Kong with parent companies located outside Hong Kong, representing a decrease of 46 companies compared with the same period last year. In this connection, will the Government inform this Committee of the following:

- a. Given that Hong Kong has now returned to normality and our economy has begun to recover, are there any signs of rebound in the number of foreign companies in Hong Kong?
- b. Has InvestHK made contact with the non-local companies which have removed their RHQs from Hong Kong so as to persuade them to relocate their RHQs back to Hong Kong?
- c. What are the plans of InvestHK to attract more overseas companies to set up RHQs in Hong Kong?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 14)

Reply:

Despite the global uncertainties and challenges brought about by the COVID-19 pandemic, geopolitical tensions and external economic conditions, the number of companies in Hong Kong with parent companies located outside Hong Kong (overseas and Mainland companies) stood at around 9 000 in 2022, comparable to the figures since 2018.

We have been implementing various measures over the past months to boost the confidence of overseas and Mainland companies in Hong Kong's business environment. When the Government started relaxing anti-epidemic measures in September 2022 and organising

multiple major international events in October 2022, Invest Hong Kong (InvestHK) has already stepped up its engagement efforts with overseas and Mainland companies across all sectors to gauge their sentiments, find out their concerns and needs, provide updates on Hong Kong's latest business opportunities and offer appropriate support. The full resumption of cross-boundary travel with the Mainland since February 2023 and lifting of the mask mandate from March 2023 further enabled InvestHK to bring its engagement efforts to the next level, including identifying targeted companies that might have relocated some or all of their operations from Hong Kong earlier due to COVID-19 and providing the necessary support to facilitate their businesses to return to Hong Kong.

So far, we have been seeing increased interest of potential investors from the Mainland and overseas to set up or expand their businesses in Hong Kong. While we are cautiously optimistic that the positive trend will continue alongside the improved local economy, we understand that the business sectors still have concerns about geopolitical tensions and external economic conditions.

Going forward, InvestHK will continue to reach out to a wide spectrum of companies in different sectors around the world through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents in the overseas Hong Kong Economic and Trade Offices and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting overseas and Mainland companies to set up and expand their businesses in Hong Kong. InvestHK will also continue to work closely with the Office for Attracting Strategic Enterprises under the Financial Secretary's Office in attracting strategic inward investments.

In addition, InvestHK will continue to strengthen its investment promotion efforts. Through its global network, and collaboration with relevant organisations, chambers of commerce, and professional bodies, etc., it will roll out an array of promotional activities around the world, including conferences, roadshows, seminars, exhibitions, etc. so as to encourage overseas and Mainland companies to set up businesses and invest in Hong Kong. These activities will provide overseas interlocutors and companies with the latest information on Hong Kong's business environment, and highlight Hong Kong's distinctive advantages of enjoying strong support of the Motherland and being closely connected to the world under "One Country, Two Systems", as well as the immense business opportunities brought by national strategies including the National 14th Five-Year Plan, the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB152**

**(Question Serial No. 0406)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Chief Executive has decided earlier to establish the Office for Attracting Strategic Enterprises (OASES) to be led by the Financial Secretary. It will switch to a proactive approach to attract enterprises and investment by offering strategic enterprises outside Hong Kong special facilitation measures and one-stop services, thereby proactively attracting high-potential and representative strategic enterprises from around the world. In this connection, will the Government advise this Committee on the following:

- a. Has InvestHK studied the strategies worldwide for attracting enterprises and made comparison with the past strategies used in Hong Kong?
- b. Given that OASES only focuses on individual strategic industries, will InvestHK concurrently adopt, in respect of other industries, a more proactive approach for attracting enterprises?
- c. How will InvestHK facilitate and support the work of OASES?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 15)

Reply:

As the investment promotion agency of the Government, Invest Hong Kong (InvestHK) has been actively assisting policy bureaux in promoting the latest government policies and measures and proactively attracting foreign investments to Hong Kong. InvestHK has been keeping a close watch on the policies implemented by different economies in various sectors, for reference by relevant policy bureaux in formulating policies that best suit Hong Kong, based on which InvestHK conducts promotion to attract foreign investments. InvestHK also makes reference to the investment promotion approaches adopted by other economies and reviews its approach from time to time.

Since the Chief Executive's announcement in his Policy Address, InvestHK has been assisting in the setup of the Office for Attracting Strategic Enterprises (OASES) under the Financial Secretary's Office, including arranging officers from the department to be seconded to OASES. After the establishment of OASES in December 2022, InvestHK and OASES have been working closely with each other in attracting inward investments to Hong Kong. While OASES focuses on strategic enterprises from industries of strategic importance to Hong Kong, InvestHK focuses on enterprises from various other sectors. InvestHK's investment promotion officers in the Mainland Offices and overseas Economic and Trade Offices (ETOs) are core members of the Dedicated Teams for Attracting Businesses and Talents in the Mainland Offices and ETOs, and act as the first point of contact outside Hong Kong whenever Mainland and overseas enterprises (regardless of fields) approach them.

InvestHK has all along adopted, and will continue adopting, a proactive and targeted approach to attract enterprises from various sectors around the world. InvestHK has been allocated additional recurrent funding of around \$90 million in phases starting 2022-23. The additional recurrent provisions have been deployed to implement proactive and forward-looking promotion strategies at key global target markets, enhancing investment promotion in the Mainland and overseas, and consolidating investment promotion efforts in priority sectors such as innovation and technology, financial services and fintech. InvestHK will continue to strengthen the provision of one-stop support services to all overseas and Mainland enterprises interested in setting up or expanding their businesses in Hong Kong, as well as enhancing its global investment promotion efforts, with a view to proactively telling the good stories of Hong Kong to the international business communities.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB153****(Question Serial No. 1149)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 47 of the Budget Speech the need to make better use of our unique advantages under “One Country, Two Systems” to fully grasp the Mainland’s enormous market, bring together local and overseas talents, capital and other resources, and to attain mutual benefits that can be shared by everyone and bring about better development for everyone under the operation of an open economy. When the pandemic subsides, will Invest Hong Kong (InvestHK) have any plans to launch large-scale publicity and promotional campaigns at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the Greater Bay Area (GBA) from various perspectives such as finance, innovation and technology, culture and creativity and tourism, as well as Hong Kong’s unique advantages under “One Country, Two Systems”, with a view to attracting enterprises, investors and talent to Hong Kong? What are the plans of InvestHK and the Government’s overseas offices for taking forward the related work?

Asked by: Hon Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 20)

Reply:

The Government attaches much importance to external engagement. As Hong Kong is back on the world stage after the lifting of various epidemic restrictions, the Government has been disseminating the latest information on Hong Kong’s development through various platforms, strengthening the promotion on the successful implementation of “One Country, Two Systems”, Hong Kong’s distinctive advantages of enjoying strong support of the Motherland and being closely connected to the world as well as other advantages on various fronts.

Riding on the “Hello Hong Kong” campaign, Invest Hong Kong (InvestHK) will step up efforts in conducting both physical and hybrid investment promotion activities in Hong Kong as well as in major and emerging markets, such as the Association of Southeast Asian Nations, Middle East, the Americas and Europe, to show the world from multiple angles that Hong Kong, as a highly open and international city in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), has great achievements in various



priority sectors. The annual StartmeupHK Festival and Hong Kong FinTech Week will also showcase Hong Kong as an ideal startup and fintech hub respectively.

In addition, InvestHK will continue to jointly organise a series of investment promotion events, formulate marketing messages and materials, etc., through the “Pan-Greater Bay Area Inward Investment Liaison Group” established with relevant authorities in the Mainland and Macao, to showcase the business opportunities in the Greater Bay Area, including the new opportunities in Qianhai and Hengqin, with a view to strengthening collaboration and synergy. InvestHK will also continue to collaborate with the Commerce Bureau of Shenzhen Municipality to jointly organise investment promotion activities to promote the investment opportunities of Hong Kong and Shenzhen to overseas investors.

InvestHK and the overseas Hong Kong Economic and Trade Offices (ETOs) work closely with each other in taking forward the related work. As announced in the Policy Address in October 2022, the Government has put in place new institutional setups and implement an array of new initiatives targeted at attracting enterprises, investment and talents. In December 2022, Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) were established in Mainland Offices and ETOs. Complementing the new policy and work objectives of “Competing for Talents and Enterprises”, the Dedicated Teams in the ETOs will proactively reach out and discuss with key enterprises, liaise with the world’s top 100 universities and communicate with high potential and representative strategic enterprises and talents, providing them with appropriate information and assistance. They will also proactively promote various new policies and plans to attract quality enterprises and talents through, for instance, business seminars promoting Hong Kong’s advantages and encouraging talents to pursue development in Hong Kong, holding lectures at universities to explain the employment opportunities offered by Hong Kong, and so on, to proactively attract quality enterprises to establish footholds in Hong Kong and to attract talents for developments in Hong Kong.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB154**

**(Question Serial No. 1017)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the matters requiring special attention in 2023-24 is to conduct global promotion activities across sectors and arrange events to attract leading carbon neutrality solutions and potential investors to Hong Kong, leveraging on Hong Kong's commitments and business opportunities to achieving carbon neutrality before 2050. In fact, the Government has made it clear that it will put in place measures to attract carbon neutrality solutions to Hong Kong since the last financial year.

In this connection, please advise the Committee of the following:

1. What is the outcome of Invest Hong Kong's efforts in attracting carbon neutrality solutions and potential investors to Hong Kong over the past year? Please provide the numbers of companies/potential investors attracted and the total investment amount.
2. With regard to the global promotion activities to be conducted across sectors and events to attract leading carbon neutrality solutions and potential investors to Hong Kong to be arranged in 2023-24, what are the estimated expenditure, manpower and details involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 21)

Reply:

To contribute to our country's advancement towards the "2060 Dual Carbon Targets" in relation to carbon emissions peak and carbon neutrality and to support Hong Kong's moving towards its own carbon neutrality target before 2050, Invest Hong Kong (InvestHK) has been proactively conducting global promotion to attract overseas and Mainland carbon neutrality solution providers to Hong Kong, with a view to strengthening the capability of Hong Kong in achieving carbon neutrality. InvestHK has also been organising, in collaboration with relevant bureaux and departments, and sponsoring various promotion activities such as webinars, seminars and industry conferences in Hong Kong, the Mainland and overseas, to engage key overseas and Mainland leading organisations in green tech, renewable energy,

green finance, environmental, social, and governance, supply chain, food tech, etc., and to promote relevant government policies and Hong Kong's competitive advantages and opportunities.

With additional recurrent resources from 2022-23, 3 specialists in carbon neutrality have been recruited to join 3 major sector teams of InvestHK, namely, Technology, Innovation and Entrepreneurship; Fintech, Financial and Professional Services; and Lifestyle and Creative Industries. In 2022, 21 projects in relation to carbon neutrality with a total investment amount of \$176.4 million were completed and 20 new projects generated.

By harnessing Hong Kong's unique competitive advantages and opportunities, and aligning with the Government's policy in developing Hong Kong as an international green technology and financial centre as well as innovation and technology centre, InvestHK will conduct market research to further identify target companies in carbon neutrality, and continue to step up efforts to attract overseas and Mainland companies in relation to carbon neutrality for setting up and expanding businesses in Hong Kong in 2023-24. InvestHK will also continue to organise and support a wide range of global investment promotion activities in relation to achieving carbon neutrality such as seminars, workshops, industry conferences, trade shows, summits and roundtables, in collaboration with relevant bureaux and departments as well as international organisations, to bring greater promotional impact. For instance, the Government will organise an International GreenTech Week at the end of this year to pool together representatives, enterprises and investors from the green technology industries around the world.

The expenses involved will be subsumed under the overall estimated expenditure of InvestHK which include administrative overhead expenses and hence cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB155****(Question Serial No. 2504)**

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong (InvestHK) has all along been playing the specific role of attracting enterprises and investment, bringing in enterprises from within and outside the country to expand their businesses in Hong Kong. As mentioned in paragraph 97 of this year's Budget Speech, \$100 million will be allocated to InvestHK over the next 3 years for attracting more family offices to Hong Kong. In this connection, will the Government inform this Committee of the following:

- Under Head 79, the estimate for InvestHK in 2023-2024 is \$278.2 million, which is 22.7% higher than the revised estimate of \$226.7 million for last year. What are the reasons for the some 20% increase in the estimate for next year and the major uses of the increased estimate?
- With Hong Kong's full resumption of normal travel with the Mainland and the international community this year, what are the work plans and targets of InvestHK in the coming year to step up efforts to attract and retain foreign direct investment?
- The Office for Attracting Strategic Enterprises led by the Financial Secretary was established in last December. How will InvestHK co-operate and work in co-ordination with the Office, and divide the work between them in order to create synergy?
- Given that there are a significant number of heavyweight top-notch enterprises in the textiles, clothing and fashion industry in the Mainland and overseas, will InvestHK step up efforts to attract more top-notch enterprises in the industry to expand their businesses in Hong Kong, including setting up research and development centres, design centres or regional headquarters, so as to enhance the ecosystem for the industry?
- As stated in the Matters Requiring Special Attention under Head 79, the Department will, in collaboration with the Innovation, Technology and Industry Bureau, continue to bolster investment promotion and marketing efforts in the innovation and technology sector, and enhance collaboration with key stakeholders. What are the specific collaboration plans and work?

- Dr. CHIANG Hok Lai, Jimmy, Associate Director-General of Investment Promotion, said in his remarks to the media this February that InvestHK had been focusing its investment promotion efforts in the Middle East countries such as Saudi Arabia, the United Arab Emirates, Israel, Qatar and Kuwait. What are the specific work and targets of InvestHK in assisting Hong Kong to open up target emerging markets such as the Middle East? How many Middle East enterprises are now interested in establishing a presence in Hong Kong?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 40)

Reply:

Invest Hong Kong (InvestHK) will be allocated additional funding for 2023-24 mainly for strengthening its work in attracting more family offices to set up and operate in Hong Kong as announced in the 2023-24 Budget, as well as for strengthening its work at all fronts as announced in the 2022-23 Budget.

In the 2023-24 Budget, \$100 million will be allocated to InvestHK over the next 3 years for attracting more family offices to Hong Kong. Major work plans include developing a high impact market and public relations strategy, organising flagship events, launching global marketing campaigns and developing various stakeholder engagement initiatives to promote Hong Kong as a family office hub.

Separately, as announced in the 2022-23 Budget, InvestHK has been allocated additional recurrent funding of around \$90 million in phases starting 2022-23. The additional recurrent provisions have been deployed to implement proactive and forward-looking promotion strategies at key global target markets, enhancing investment promotion in the Mainland and overseas, including strengthening InvestHK's investment promotion network in the Middle East, and consolidating investment promotion efforts in priority sectors such as innovation and technology (I&T), financial services and fintech. For example, InvestHK will strengthen its promotion efforts in I&T sector by organising and sponsoring local and overseas I&T events, in close partnership with the Innovation, Technology and Industry Bureau, Hong Kong Science and Technology Parks Corporation, Cyberport, Hong Kong Productivity Council, major research institutes, chambers, academia and relevant sector-specific organisations, to align with the policy objectives of the Government, in particular the Hong Kong Innovation and Technology Development Blueprint, so as to strengthen Hong Kong's status as an international I&T centre, and attract more overseas and Mainland I&T companies to set up and expand businesses in Hong Kong.

Moreover, InvestHK will also step up promotion of the textiles, garment and fashion industry, proactively support and work with trade publications and event organisers to further its outreach efforts and communication to the industry both in Hong Kong and internationally, with a view to attracting and retaining overseas and Mainland companies of the textiles, garment and fashion industry. For example, InvestHK works closely with the Hong Kong Research Institute of Textiles and Apparel and various design institutes to showcase Hong Kong as an excellent design or research hub for the industry, promoting Hong Kong as an ideal location of setting up regional headquarters.

When the Government started relaxing anti-epidemic measures in September 2022 and organising multiple major international events in October 2022, InvestHK has already stepped up its engagement efforts with overseas and Mainland companies across all sectors to gauge their sentiments, find out their concerns and needs, provide updates on Hong Kong's latest business opportunities and offer appropriate support. The full resumption of cross-boundary travel with the Mainland since February 2023 and lifting of the mask mandate from March 2023 further enabled InvestHK to bring its engagement efforts to the next level, including identifying target companies that might have relocated some or all of their operations from Hong Kong earlier due to COVID-19 and providing the necessary support to facilitate their businesses to return to Hong Kong.

So far, we have been seeing increased interest of potential investors from the Mainland and overseas to set up or expand their businesses in Hong Kong. Going forward, InvestHK will continue to reach out to a wide spectrum of companies in different sectors around the world through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents in the overseas Hong Kong Economic and Trade Offices and Mainland Offices, as well as its overseas consultants' network, with a view to attracting and assisting overseas and Mainland companies to set up and expand their businesses in Hong Kong. InvestHK will also continue to work closely with the Office for Attracting Strategic Enterprises under the Financial Secretary's Office in attracting strategic inward investments.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB156**

**(Question Serial No. 2386)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Promoting understanding of the concept of “One Country, Two Systems” and engendering a sense of citizenship and national identity is one of the important goals of Radio Television Hong Kong. In this regard, please inform this Committee of the following:

- (a) Has the Government drawn up key performance indicators for the above-mentioned goal and conducted regular reviews; and
- (b) Apart from promoting understanding of “One Country, Two Systems”, does the Government have any plans over the next 3 years to allocate more resources and manpower to enhance public understanding of The Constitution and The Basic Law? If so, what are the details? If not, what are the reasons?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 27)

Reply:

As a government department and the public service broadcaster, Radio Television Hong Kong (RTHK) firmly fulfills the public purposes and mission under the Charter of Radio Television Hong Kong (the Charter), including engendering a sense of citizenship and national identity. In addition, in response to the Governance and Management of Radio Television Hong Kong Review Report promulgated in February 2021, RTHK has formulated various “Programme Production Goals” (PPGs) which are directly related to the public purposes and mission under the Charter. One of the PPGs is to “promote understanding of the concept of ‘One Country, Two Systems’ and engender a sense of citizenship and national identity”.

To deepen the understanding of our country and the implementation of “One Country, Two Systems” and to nurture the affection for our country of our community, RTHK will continue to communicate and collaborate closely with the relevant bureaux and partners to provide various programmes on important topics such as the Constitution, the Basic Law, national security education and the Guangdong-Hong Kong-Macao Greater Bay Area etc. For instance, “Talk About Basic Law With Photo” explains the relevant provisions and history of

the Basic Law through daily life scenarios and photos with historical values to enable the public to understand the Basic Law properly.

RTHK will review and adjust the production strategy and mode from time to time to continuously enhance the quality and effectiveness of the programmes.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB157**

**(Question Serial No. 0735)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

RTHK TV 31 is responsible for general programming on current affairs, education, arts and culture and minority interests, comprising in-house produced programmes, commissioned programmes, acquired programmes and education programmes. Under “Matters Requiring Special Attention in 2023-24”, it was mentioned that RTHK will “enhance the English content on RTHK TV 31 to convey to local expatriates and overseas audiences the unadulterated truth of Hong Kong”. In this connection, will the Government inform this Committee of the following:

- (a) in the past 3 years, what were the viewership ratings of RTHK TV 31 programmes? Please list respectively according to programme type (including but not limited to current affairs, education, arts and culture, minority interests), programme source (including but not limited to in-house produced programmes, commissioned programmes, acquired programmes, education programmes), and timeslot (morning, afternoon, evening, late night);
- (b) in the past 3 years, what was the ratio of RTHK TV 31 English programmes (types including but not limited to current affairs, education, arts and culture, minority interests, etc.) to all programmes;
- (c) which aspect(s) (e.g. current affairs, education, arts and culture) of English content does the Administration plan to enhance;
- (d) what specific measures does the Administration have to attract local expatriates and overseas audiences to tune in to RTHK TV 31? What is the expenditure involved?

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 26)

Reply:

Radio Television Hong Kong (RTHK) has no statistics on the viewership ratings of programmes categorised by programme genre, programme source and timeslot for RTHK TV 31.

The ratio of transmission hours of RTHK TV 31 English programmes to the total transmission hours in the past 3 years is tabulated as below:

<b>Year</b>	<b>Ratio of transmission hours of English programmes to the total transmission hours (%)</b>
2022-23	1.4
2021-22	2.7
2020-21	3.5

RTHK will enhance English content for broadcast through multimedia platforms, presenting comprehensive information to expatriates living in Hong Kong and overseas audience (such as new informative programmes to showcase the premier business environment in Hong Kong, new English music programmes, new magazine programmes to present Hong Kong's cultural diversity, etc.), so that they can be better apprised of the latest situation in Hong Kong.

RTHK will implement a series of measures to attract local expatriates and overseas audience to watch RTHK programmes. Apart from enhancing promotion on digital platforms, social media and English media, RTHK will also extensively contact international schools, multinational corporations, chambers of commerce and consulates in Hong Kong, and publicise through the overseas Hong Kong Economic and Trade Offices. RTHK will earmark around \$800,000 for related expenditure on promotion.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB158**

**(Question Serial No. 2111)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (1) Radio

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the Programme Production Goals of Radio Television Hong Kong (RTHK) is to promote understanding of our community, our nation and the world through provision of accurate, impartial and objective news and public affairs programmes. However, the public has had doubts over the impartiality of programme content in recent years. Individual hosts have released some information in which the facts are in dispute, for the reason of “protecting the source of information”. Will the Administration inform this Committee of the following: What actual measures does RTHK have to ensure that programme hosts are impartial and objective, and that the content they convey is accurate and comprehensive?

Asked by: Hon CHU Kwok-keung (LegCo internal reference no.: 27)

Reply:

In response to the relevant recommendations in the Governance and Management of Radio Television Hong Kong Review Report released by the Commerce and Economic Development Bureau in February 2021, Radio Television Hong Kong (RTHK) introduced a new editorial management mechanism in March 2021, under which an editorial committee comprising the Director of Broadcasting and the senior management of RTHK was set up. The Editorial Policies and Processes of Radio Television Hong Kong was promulgated in September of the same year to elaborate on RTHK's editorial policies and demonstrate the editorial processes of different categories of productions, assist programme makers to fulfil and adhere to the editorial principles set out in the Charter of Radio Television Hong Kong (the Charter). These principles include disseminating information accurately and authoritatively, upholding the highest professional standards of journalism, and providing accurate, impartial and objective news to members of the public. RTHK will continue to fulfil its public purposes and mission as a public service broadcaster in accordance with the Charter.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB159**

**(Question Serial No. 2448)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Programme Production Goal (PPG) 2 is to promote understanding of the concept of “One Country, Two Systems” and engender a sense of citizenship and national identity. In this connection, please inform this Committee of the following:

- (a) It is expected that the number of transmission hours in 2023-24 will increase to 2 514. What are the relevant programmes to strengthen the sense of national identity and enhance public understanding of “One Country, Two Systems”, and the average duration of each programme?
- (b) In addition to RTHK TV 31 and 32, does the Government plan to broadcast more programmes targeting at PPG 2 in the new media? If so, what are the details? If not, what are the reasons?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 18)

Reply:

As a government department and the public service broadcaster, Radio Television Hong Kong (RTHK) firmly fulfils the public purposes and mission under the Charter of Radio Television Hong Kong, including engendering a sense of citizenship and national identity. To deepen the understanding of our country and the implementation of “One Country, Two Systems” and to nurture the affection for our country of our community, RTHK will provide various programmes on important topics such as the Constitution, the Basic Law, national security education and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), etc. For instance, “Talk About Basic Law With Photo” explains the relevant provisions and history of the Basic Law through daily life scenarios and photos with historical values to enable the public to understand the Basic Law properly. “GBA Lifestyle” introduces the culture, lifestyle and information of the different cities in the GBA, so as to deepen the audience’s understanding of our country through light-hearted information. Other programmes like “Charming China”, “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”, “Bay Area Guide”, “Exploring Greater China”, “My Bay Area Story”, etc.

introduce our country's latest developments in different aspects. The length of the programmes varies with the content, ranging from a few minutes for short videos to more than 2 hours for movies.

Programmes that engender a sense of citizenship and national identity are simulcast on RTHK website and the mobile application "RTHK Screen", and are available in archives. Some of the programmes have been authorised to be broadcast on RTHK's social media platforms (e.g. RTHK YouTube Channel). RTHK website has also produced special e-learning projects like "Our National Anthem", "Understanding the National Constitution, the Basic Law and the National Security Law", dedicated webpages for Mainland dramas, etc. to introduce national affairs in an easy-to-understand manner.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB160**

**(Question Serial No. 2449)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (3) New Media

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The New Media services of Radio Television Hong Kong are the official website (i.e. "rthk.hk") and 8 mobile applications featuring different services (i.e. "RTHK on the Go", "RTHK Screen", "RTHK Mine", "RTHK News", "RTHK Vox", "RTHK Memory", "Chinese History – the Flourishing Age" and "RTHK Audio Description"). In this connection, please inform this Committee of the following:

- (a) In the past 2 years, what were the numbers of downloads and the usage rates of the 8 applications (please provide in tabular form);
- (b) What were the development and operating expenses and staff establishments of the 8 applications respectively?
- (c) Will the usage rates of the applications be reviewed regularly and a mechanism be established to delete unpopular applications? If so, what are the details? If not, what are the reasons?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 19)

Reply:

The numbers of downloads, usage rates and development costs of the 8 mobile applications of Radio Television Hong Kong (RTHK) are as follows:

Mobile Application	Accumulated Number of Downloads*		Usage Rate (the monthly average number of access to the mobile application on mobile devices)*		Development Cost (\$'000)
	<i>As at end-2021</i>	<i>As at end-2022</i>	<i>2021</i>	<i>2022</i>	
RTHK On the Go	2 414 000	2 473 000	179 000	136 000	200
RTHK Screen	600 000	634 000	26 000	23 000	250
RTHK News	524 000	672 000	129 000	125 000	336
RTHK Mine	478 000	504 000	97 000	98 000	409
Chinese History – the Flourishing Age	180 000	196 000	Not available^		450
RTHK Memory	57 000	62 000	Not available^		280
RTHK Vox	18 000	18 000	Not available^		380
RTHK Audio Description (newly launched in 2022)	2 000	3 000	Not available^		356

\* Rounded to the nearest thousand.

^ As 4 mobile applications are not equipped with “usage rate” trackers, the relevant data are not available.

The total operating expenses of the 8 mobile applications in 2022-23 are \$663,000. RTHK does not have an individual breakdown of the operating expense and the staff establishment involved for each mobile application.

RTHK reviews the usage of the applications regularly. One of the applications, RTHK Vox, ceased to operate in end-February 2023 due to low usage rate.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB161**

**(Question Serial No. 1024)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Based on the expenditure analysis under Head 160, the estimated establishment of Radio Television Hong Kong (RTHK) in 2022 is 735 posts, but the revised estimate is 768 posts. Will the Administration inform this Committee of the following:

- (a) for the 33 posts increased on top of the estimated establishment, what are the posts and their respective areas of responsibility;
- (b) how many of those are directorate posts; and
- (c) what feasible plans are there to ensure that the establishment remains a reasonable size in the new financial year?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 10)

Reply:

In light of the Governance and Management of Radio Television Hong Kong Review Report promulgated in February 2021, Radio Television Hong Kong (RTHK) has, after reviewing its manpower plan, gradually resumed promotion and recruitment exercises since 2022-23. In 2022-23, RTHK is expected to have a net increase of 33 non-directorate posts (creation of 37 new posts and deletion of 4 posts), including different ranks of Programme Officers, Telecommunications Engineers, Technical Officers etc. These posts primarily assist in the production of radio and television programmes, as well as provide support to production services, information technology and administrative work, etc.

Through work prioritisation, internal redeployment, streamlining of work processes and enhancement of efficiency, RTHK will ensure the establishment to remain at a reasonable level and will continue to provide high-quality public broadcasting services to the public.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB162**

**(Question Serial No. 1029)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Television (TV) Division of Radio Television Hong Kong (RTHK) produces TV programmes and operates 4 Digital Terrestrial Television channels. Among them, RTHK TV 31 and 32 have more in-house produced programmes. Will the Administration inform this Committee of the following:

- (a) The number of episodes and number of hours of in-house produced programmes of RTHK in the past year;
- (b) The staff establishment involved in the aforementioned in-house produced programmes; and
- (c) The expenditure involved in the aforementioned in-house produced programmes.

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 15)

Reply:

The total hours of first-run programmes of Radio Television Hong Kong (RTHK) are 6 547 in 2022-23. RTHK does not have a breakdown on the number of episodes, staff establishment and expenditure involved in the relevant programmes.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB163**

**(Question Serial No. 2428)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (1) Radio, (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) For 2022-23, what is the expenditure for introducing television programmes produced in the Mainland, and on national education or national security? What is their ratio to all in-house produced or acquired television programmes provided by Radio Television Hong Kong? Will this ratio be increased in 2023-24? If so, what is the estimate for the plan? If not, what are the reasons?
- (b) The Radio Division indicated that, in 2023-24, the number of transmission hours of programmes under “Programme Production Goal (PPG) 2 – promote understanding of the concept of ‘One Country, Two Systems’ and engender a sense of citizenship and national identity” is 1 100, and the listenership is 5%/0.18 million, which are considerably lower than those of other goals. What are the reasons? Are there any plans to adjust the production budget in the future to enhance the promotion of “PPG 2” in order to boost the sense of national identity? If so, how will it be adjusted? If not, what are the reasons?

Asked by: Hon LI Sai-wing, Stanley (LegCo internal reference no.: 39)

Reply:

In 2022-23 and 2023-24, the transmission hours for television programmes (including in-house and acquired programmes) provided by Radio Television Hong Kong (RTHK) under the “Programme Production Goal (PPG) 2 – promote understanding of the concept of ‘One Country, Two Systems’ and engender a sense of citizenship and national identity” are around 2 500 hours annually, accounting for around one-fourth of the total expenditure for all TV programmes provided by RTHK.

Regarding radio service, the target listenership of PPG 2 is an achievable target set with reference to data collected from various channels, including audience survey, RTHK website, social media platforms and mobile applications, as well as the production plans of the Radio Division, etc. RTHK will gradually increase relevant key programmes to promote

understanding of “One Country, Two Systems” and engender a sense of citizenship and national identity.

RTHK will review and adjust the production strategy and mode from time to time to continuously enhance the quality and effectiveness of the programmes.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB164**

**(Question Serial No. 1050)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the television programmes produced by Radio Television Hong Kong (RTHK), will the Government inform this Committee of the following:

- (a) Among the television programmes produced in the past 2 years, what are the programmes for publicising government policies? What is the total number of transmission hours?
- (b) Will RTHK strengthen the promotion and publicity of government policies or produce any special programmes to help tell good stories of Hong Kong in its future work? If so, what are the details? If not, what are the reasons?
- (c) What are the estimated resources and manpower allocated in this regard in 2023-24?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 33)

Reply:

Radio Television Hong Kong (RTHK) underpinned the Government's anti-epidemic work in the past 2 years, and positioned RTHK TV 32 as an "Epidemic Prevention Information Channel" to disseminate the latest epidemic prevention and anti-epidemic information to the public round the clock. RTHK also arranged to broadcast epidemic prevention and anti-epidemic promotion recordings and videos in 9 ethnic minorities' languages, so as to cater for the needs of different people. Following Hong Kong's resumption to normalcy, RTHK has positioned RTHK TV 32 as an "Information Channel" to enhance the dissemination and transparency of government information and provide the public with the most comprehensive and accurate information about the Government and the community. For example, the information programme "Hong Kong United" introduces new policies and initiatives of the Government in an easy-to-understand manner. The TV Division of RTHK also actively produces programmes publicising major government policies, such as promoting Hong Kong's latest developments as an innovation and technology hub in "Our Scientists" and "I&T New Era", and introducing the advantages of Hong Kong as the base for family offices in "Family Offices in Hong Kong", etc.

Through different themes, formats and viewer/audience-targeted programmes, RTHK will actively enhance the cross-media multi-language broadcasting and programme content in all dimensions (including new informative programmes to showcase the premier business environment in Hong Kong, new English music programmes, new magazine programmes to present Hong Kong's cultural diversity, etc.) to keep expatriates in Hong Kong as well as people in the Mainland and overseas apprised of the latest developments and appeal of Hong Kong in various fields (e.g. finance and economies, investments, innovation and technology, culture and arts, education and daily living, etc.) with a view to telling good stories of Hong Kong.

RTHK does not have breakdown for the resources and manpower involved in producing the relevant programmes.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB165****(Question Serial No. 0719)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Ms Maggie WONG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Hong Kong Productivity Council (HKPC) has been proactively assisting small and medium enterprises (SMEs) in applying for government subsidies, which is well received by the industry. It is proposed to allocate \$100 million to enhance this service in the next five years. It is shown in the Programme that matters requiring special attention in 2023-24 for the HKPC included providing integrated services to SMEs and start-ups through the SME ReachOut and SME One. In this connection, will the Government inform this Committee of the following:

1. How many enterprises were involved each year in the past 3 years regarding the assistance provided to SMEs and start-ups in applying for government subsidies through the SME ReachOut? How many enterprises have been approved government subsidies? What were the related expenses?
2. What are the plans and details for the HKPC to enhance this service? What are the estimated increase in manpower and expenditure?

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 10)

Reply:

The Government established "SME ReachOut" in January 2020 to help small and medium enterprises (SMEs) identify suitable government funding schemes and answer questions relating to applications. From January 2020 to end February 2023, "SME ReachOut" handled around 15 000 enquiries, and organised or participated in over 200 promotion activities. According to a sample survey of the assisted enterprises conducted by "SME ReachOut", during the period from January 2020 to June 2022, the success rate of applications for government funding was around 72%. From 2020 to 2022, the average expenditure of "SME ReachOut" borne by the Government was around \$8.7 million per year.

The Financial Secretary announced in the 2023-24 Budget to allocate \$100 million to enhance the services of "SME ReachOut" in the next 5 years. Specifically, starting from October

2023, the Government will allocate funding to the Hong Kong Productivity Council (HKPC) to gradually step up the services of “SME ReachOut”, including arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, and increasing the publicity in social media so as to step up the promotion of government funding schemes. At the same time, more one-on-one consultation sessions will be provided to assist SMEs in applying for government funding and building their capacities, and enhancing their competitiveness through leveraging new technologies. The estimated expenditure of “SME ReachOut” to be borne by the Government in 2023-24 is about \$15.3 million, and its headcount will be gradually increased to 16.

In addition to “SME ReachOut”, the SME service centre entitled “SME One” under HKPC has been in operation since July 2012. It organises regular activities to provide one-stop and comprehensive business information and support to SMEs in Hong Kong, including information on various industry support schemes provided by the governments of Hong Kong and the Mainland, market financial proposals and latest information technology solutions.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB166**

**(Question Serial No. 2088)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Ms Maggie WONG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department (TID) indicated that it will liaise closely with the trade and implement enhanced support services to help them meet the challenges they face. In this connection, will the Government provide a breakdown of the enhanced support services and the estimated expenditures involved?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 31)

Reply:

The Trade and Industry Department (TID) liaises closely with the trade and chambers of commerce, and meets with small and medium enterprises (SMEs) directly to discuss issues of concern to the business and explore corresponding measures. We also tap the business sector's views on issues affecting its development and measures supporting it through various advisory boards including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee.

In terms of financial support, TID assists enterprises in developing more diversified markets and enhancing their competitiveness through various funding schemes, including:

*Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)*

- The BUD Fund provides funding support to enterprises to develop business in 37 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements. Further to the increase of the cumulative funding ceiling per enterprise to \$7 million in November 2022, the Financial Secretary announced in the 2023-24 Budget to further inject \$500 million and to launch "BUD Easy" to expedite the vetting of applications involving a funding amount of \$100,000 or below (such as the placement of advertisements, participation in exhibitions, production or enhancement of company websites or mobile applications, trademark registration, and testing and certification, etc.). The performance pledge is to complete the processing of an application within 30 working days, which is significantly reduced by half as



compared with the 60-working-day pledge for general applications of the BUD Fund.

*SME Export Marketing Fund (EMF)*

- The EMF provides funding support to SMEs to participate in export promotion activities to expand their markets outside Hong Kong. In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million and has extended the special measure to end June 2026 so as to continue the expanded funding scope of covering exhibitions and online exhibitions targeting the “local market”, as well as relaxing the eligibility criteria to cover non-SMEs.

Moreover, TID provides funding support through the Trade and Industrial Organisation Support Fund (TSF) to non-profit-distributing organisations such as trade and industrial organisations, professional bodies and research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

In addition to providing financial support, the Government established “SME ReachOut” in January 2020 to help SMEs identify suitable government funding schemes and answer questions relating to applications. The Financial Secretary announced in the 2023-24 Budget to allocate \$100 million to enhance the services of “SME ReachOut” in the next five years. Specifically, starting from October 2023, the Government will allocate funding to the Hong Kong Productivity Council to gradually step up the services of “SME ReachOut”, including arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, and increasing the publicity in social media so as to step up the promotion of government funding schemes. At the same time, more one-on-one consultation sessions will be provided to assist SMEs in applying for government funding and building their capacities, and enhancing their competitiveness through leveraging new technologies.

The total expenditure of the BUD Fund, the EMF and the TSF in 2023-24 is estimated to be about \$1.38 billion. The estimated expenditure of “SME ReachOut” to be borne by the Government in 2023-24 is about \$15.3 million.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB167**

**(Question Serial No. 1735)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Ms Maggie WONG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee of the following:

- 1) How many applications for the “Dedicated Fund on Branding, Upgrading and Domestic Sales” (“BUD Fund”) under the Trade and Industry Department (TID) were received in total in the past 3 years? Please provide, among the applications, the respective numbers of (i) approved, (ii) withdrawn and (iii) rejected applications, the respective percentages of such numbers in proportion to the total applications, and a breakdown of the approved cases by sectors;
- 2) What are the main reasons for applications being rejected;
- 3) What is the main geographical coverage of the current projects which applied for funding?
- 4) Please explain in details and provide justifications for choosing to increase BUD Fund's commitment by \$500 million via the Appropriation Bill 2023, instead of submitting the respective commitment of \$500 million to the Finance Committee for approval.

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 14)

Reply:

The implementation of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in the past 3 years is as follows:

	2020	2021	2022
Number of applications received Note 1 and 2	3 521	2 580	2 637
Number of applications withdrawn <sup>Note 2</sup> (percentage out of the total applications received)	1 699 (48.3%)	1 000 (38.8%)	882 (33.4%)
Number of applications approved	881	898	1 351
Number of applications rejected	234	487	405
Success rate <sup>Note 3</sup>	79%	65%	77%
Major beneficiary sectors (in the order of the largest number of approved applications)	<ol style="list-style-type: none"> <li>Wholesale and Retail</li> <li>Import and Export Trade</li> <li>Textiles and Clothing</li> <li>Information Technology</li> <li>Electronics</li> <li>Metal Products</li> <li>Creative Industries</li> <li>Advertisement, Sales and Marketing</li> <li>Professional Services (including legal and accounting services)</li> <li>Plastics</li> </ol>	<ol style="list-style-type: none"> <li>Wholesale and Retail</li> <li>Import and Export Trade</li> <li>Textiles and Clothing</li> <li>Information Technology</li> <li>Electronics</li> <li>Plastics</li> <li>Metal Products</li> <li>Industrial Machinery</li> <li>Advertisement, Sales and Marketing</li> <li>Creative Industries</li> </ol>	<ol style="list-style-type: none"> <li>Wholesale and Retail</li> <li>Import and Export Trade</li> <li>Electronics</li> <li>Information Technology</li> <li>Textiles and Clothing</li> <li>Plastics</li> <li>Metal Products</li> <li>Toys</li> <li>Creative Industries</li> <li>Advertisement, Sales and Marketing</li> </ol>

Note 1: Applications received may not be processed in the same year.

Note 2: The figures include applications that could not be processed owing to the lack of necessary information and applications withdrawn voluntarily by enterprises.

Note 3: Success rate is the percentage of the applications approved over the sum of applications approved and rejected in the same year.

Rejection of the applications for the BUD Fund was mainly due to the applicant enterprises' failure to meet the eligibility requirements, demonstrate their capability in implementing the projects effectively or provide concrete details of the proposed projects, etc.

As at end February 2023, the major target markets of the approved applications under the BUD Fund are as follows:

<b>Target markets</b>	<b>Number of applications approved</b> <sup>Note 4</sup>
The Mainland	4 492
Singapore	435
Malaysia	348
Thailand	240
Vietnam	225
Macao	163
Australia	156
Indonesia	155
The Philippines	119
Cambodia	74

Note 4: For some applications, more than one target market is proposed to be developed.

In the past, the approval of the Finance Committee of the Legislative Council was sought for increasing the commitment and extending the geographical coverage of the BUD Fund. As the current injection of \$500 million and the launch of “BUD Easy” do not involve any revision to the geographical coverage of the BUD Fund, and the operation framework of the BUD Fund will remain unchanged, the injection of \$500 million is thus sought in the context of the Appropriation Bill 2023.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB168****(Question Serial No. 2631)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Ms Maggie WONG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The balance of the Export Marketing and Trade and Industrial Organisation Support Fund (EMTSF) under the Trade and Industry Department (TID) in the 2023 financial year is only \$1.925 billion, and \$5.325 billion has been used when compared with the commitment of the fund which was originally \$7.25 billion. The Government mentioned in the document submitted to the Finance Committee of the Legislative Council on 26 March 2021 that the fund would be exhausted in 2025. In this regard, would the Government please advise how the fund would be handled? For example, injection into the fund before its exhaustion in 2025 so as to continue offering assistance to small and medium enterprises (SMEs) for export promotion and trade and industrial organisations, offer of assistance to SMEs for export promotion and trade and industrial organisations through other existing funds after the exhaustion of EMTSF, or no longer offer assistance to SMEs for export promotion and trade and industrial organisations after the exhaustion of EMTSF.

Also, please advise the number of applications, approved applications and rejected applications, as well as the maximum, minimum and average amount of grants approved for applications for promotion activities with a view to developing the Mainland, overseas and local markets since the enhancement of the SME Export Marketing Fund.

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 15)

Reply:

After the two injections of a total of \$2 billion into the SME Export Marketing Fund (EMF) by the Government since 2018, the total approved commitment of the Export Marketing and Trade and Industrial Organisation Support Fund shared by the EMF and the Trade and Industrial Organisation Support Fund (TSF) is \$7.25 billion. As at end 2022-23, the estimated balance is around \$1.925 billion for the two schemes, the EMF and the TSF, to operate until 2027-28 according to the current estimation. We will continue to closely monitor the needs of enterprises and seek approval for injection from the Legislative Council in a timely manner.

The special measure under the EMF to expand the funding scope to cover exhibitions and online exhibitions targeting the “local market”, and to relax the eligibility criteria to cover non-small and medium enterprises has been implemented since end April 2021. From May 2021 to end February 2023, the number of applications under the EMF that involved promotion activities for exploring the Mainland market, markets outside Hong Kong (except the Mainland) and local market is as follows:

	<b>Activities for exploring the Mainland market</b>	<b>Activities for exploring markets outside Hong Kong (except the Mainland)</b>	<b>Activities targeting all markets outside Hong Kong<sup>Note 1</sup></b>	<b>Activities targeting the local market</b>
Number of applications received <sup>Note 2</sup>	599	1 389	24 261	16 451
Number of applications approved <sup>Note 3</sup>	489	470	18 435	10 508
Number of applications rejected <sup>Note 3</sup>	152	210	2 842	1 344
Maximum amount of grants approved in an application (\$)	100,000	100,000	100,000	100,000
Minimum amount of grants approved in an application (\$)	807	750	3	500
Average amount of grants for applications approved (\$)	37,855	45,300	16,454	25,052

Note 1: Include activities such as promotion activities on electronic platform/media, exhibitions held in Hong Kong for target markets outside Hong Kong, etc.

Note 2: The figures also include applications that could not be processed owing to the lack of necessary information and applications withdrawn voluntarily by enterprises.

Note 3: Include applications that were approved and rejected from May 2021 to February 2023 but not limited to applications received in the same period.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB169**

**(Question Serial No. 0327)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Maggie WONG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Concerning the negotiation for a Free Trade Agreement (FTA) with Peru; and the negotiation/discussion on the signing of Investment Promotion and Protection Agreements (IPPAs) with, among others, Türkiye and Bahrain, when will the relevant negotiation be completed? Will additional resources be allocated this year for preparing the trade negotiations with other countries or regions? If yes, what are the details?
2. Concerning the negotiation with the Association of Southeast Asian Nations (ASEAN) as per the work programme of ASEAN – Hong Kong Investment Agreement; and the continuation to seek early accession to Regional Comprehensive Economic Partnership (RCEP), what is the current progress of the negotiation? Has the Government assisted the trade in exploring the development opportunities with the ASEAN during the negotiation in the past 3 years? What are the relevant work and expenditure? Is there any plan to provide more support to assist enterprises to conduct more visits in the future?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 18)

Reply:

*Facilitate the economic and trade relations with various trading partners*

The HKSAR Government is committed to strengthening trade and commercial connections with other economies and has been actively seeking to forge free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs) with a view to assisting Hong Kong enterprises and investors in market expansion and injecting new impetus into Hong Kong's trade and investment. On FTAs, Hong Kong and Peru have just finished the first round of negotiations in February 2023, and both sides aimed to reach a high quality and comprehensive agreement at the soonest possible time. However, as the negotiations cover extensive and complicated issues, it is difficult to estimate the completion time at this stage. On IPPAs, respective negotiations with Myanmar and Türkiye have been concluded and the

agreements will be signed upon completion of internal procedures on both sides. At the same time, we are working intensively to conclude the negotiations with Bahrain, and will commence negotiations with Saudi Arabia. On the Association of Southeast Asian Nations (ASEAN), the extended negotiations are being conducted as per the work programme under IPPA <sup>Note</sup>.

In addition, the HKSAR Government has been actively seeking to join RCEP soon. After RCEP entered into force for most of its members on 1 January 2022, the HKSAR Government immediately wrote to the RCEP Depositary (i.e. the Secretary-General of ASEAN) to make the formal accession request of Hong Kong. Subsequent to the submission, the HKSAR Government has continued to lobby actively at different levels and on various occasions. As specified in the Agreement, RCEP shall be open for accession by any state/separate customs territory 18 months after the date of entry into force of the Agreement and in accordance with the procedures to be adopted by the RCEP Joint Committee. We will continue to enhance our lobbying work and strive to forge consensus from various sectors in supporting Hong Kong's accession to RCEP.

### *Strengthening Economic and Trade Connections with ASEAN*

ASEAN has been Hong Kong's second largest trading partner since 2010 and the total value of bilateral merchandise trade rose by 3.8% last year as compared to 2021. To further consolidate trade relations between Hong Kong and ASEAN, the two parties signed an FTA and an IPPA in 2018. Both Agreements came into full force in February 2021. In September 2022, the Secretary for Commerce and Economic Development (SCED) personally travelled to Cambodia to co-chair the 6th ASEAN Economic Ministers-Hong Kong, China Consultation with the Minister of Commerce of Cambodia. The parties discussed the implementation progress of the Agreements and relevant matters, and agreed to continually deepen trade and economic co-operation. SCED also took the opportunity to meet with the local business sector, promote business opportunities in Hong Kong, and visit Hong Kong enterprises with an aim to understand their operations and development, and the investment prospects of Cambodia. The next Consultation is expected to be held in August 2023 in Indonesia. The HKSAR Government plans to send representatives to attend the meeting. We will continue to maintain close liaison with our ASEAN partners to create more opportunities for co-operation.

Officials at various levels of the HKSAR also actively conducted visits to explore development opportunities in ASEAN and tell good stories about Hong Kong. In this regard, after attending the Asia-Pacific Economic Cooperation meeting in November 2022, the Chief Executive, accompanied by SCED, led the Hong Kong business delegation to conduct business visits in Thailand and to encourage Thai corporations to come to Hong Kong for further development. In January 2023, SCED also visited Vietnam to forge closer economic and trade ties between Hong Kong and Vietnam, and provided an update on Hong Kong's new initiatives to attract enterprises and investments.

In addition, the Trade and Industry Department (TID) has been striving to assist enterprises in developing more diversified markets through various funding schemes. Among them, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to small and medium enterprises (SMEs) to further their business development in 37 different economies (including ASEAN market). In November 2022, the Government



increased the funding ceiling per enterprise to \$7 million, and announced in the 2023-24 Budget to further inject \$500 million into the fund, and to launch “BUD Easy” to expedite the processing of applications involving a funding amount of \$100,000 or below. In addition, the SME Export Marketing Fund (EMF) provides funding support to SMEs to participate in export promotion activities and expand markets outside Hong Kong (including ASEAN). In November 2022, the Government increased the cumulative funding ceiling per enterprise to \$1 million. As at February 2023, over 830 applications which included ASEAN as target market were approved under the BUD Fund, involving a total funding amount of over \$521 million, and a funding amount of over \$62.54 million was approved under the EMF for over 3 150 applications related to ASEAN markets development.

The negotiations of FTA and IPPA and the implementation of relevant funding schemes are part of the regular duties of the TID. The expenditure concerned is subsumed under TID’s overall estimated expenditure. TID will review from time to time the distribution of internal resources on the basis of prevailing situations in order to deal with the relevant work.

Note: Extended negotiations include discussions on investor-government dispute settlement mechanism and exceptions to non-differential market access treatment, etc.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB170****(Question Serial No. 3537)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the provision of \$774.4 million for the implementation of the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas, is the funding being deployed as expected? Considering the current implementation progress, can all the projects be completed in 2026? Have the completed projects satisfactorily met the service commitments (including providing villagers with broadband services at a speed of 1 000 megabits per second (Mbps) or above and installing Wi-Fi hotspots at common area of villages for provision of free Wi-Fi services)? What are the resources and mechanism for assessing the overall mobile network coverage in rural areas?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 42)

Reply:

In the past, the progress of work on extending telecommunications network coverage to villages in remote areas in the New Territories and outlying islands by fixed network operators (FNOs) was slow due to higher costs of network rollout and a smaller number of subscribers. To provide financial incentives, the Government has launched the "Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas" (the Subsidy Scheme) since 2018, with a total of 6 tender projects in 2019 and 2020 under a provision of \$774.4 million to facilitate FNOs to extend fibre-based networks to 235 villages in remote areas.

The subsidised fibre-based networks are being extended to these 235 villages in phases from 2021 to 2026, benefitting 110 000 villagers and providing the villages concerned with high-speed broadband services. It also provides the backbone infrastructure necessary for further deploying other types of telecommunications services (such as 5G mobile and Wi-Fi services) to benefit villagers and visitors to the countryside. By end 2022, the Subsidy Scheme has already extended fibre-based networks in more than 120 villages, providing broadband services with a speed ranging from 200Mbps to 2Gbps. The Office of the

Communications Authority will continue to actively follow up with the extension works in the remaining villages, targeting to cover all villages with fibre-based networks by 2026.

The Government will continue to monitor the implementation progress of the Subsidy Scheme and evaluate its effectiveness in due course, so as to formulate relevant measures to further improve telecommunications services in remote areas.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB171****(Question Serial No. 3478)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to re-establishing Hong Kong's position as the premier Meetings, Incentive Travels, Conventions and Exhibitions destination in the region, it is mentioned in the Budget Speech that the Hong Kong Trade Development Council will hold more than 10 major conferences and exhibitions in the coming months. Please set out the names of these major conferences and exhibitions and their estimated numbers of participants, expenditures and staffing provisions.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 9)

Reply:

The Hong Kong Trade Development Council (HKTDC) held or will hold more than 10 major conferences and exhibitions from March to June this year, expecting over 500 000 participants. The events are listed below:

<b>Event name</b>	<b>Date (Physical fair)</b>
Hong Kong International Jewellery Show	1-5 March
Hong Kong International Diamond, Gem & Pearl Show	1-5 March
EntertainmentPulse	13-16 March
FILMART	14-17 March
eTailingPulse	15 March
MarketingPulse	15 March
Hong Kong Electronics Fair (Spring Edition)	12-15 April
InnoEx	12-15 April
Hong Kong International Lighting Fair (Spring Edition)	12-15 April
Asian Licensing Conference	19-21 April
Hong Kong International Licensing Show	19-21 April

<b>Event name</b>	<b>Date (Physical fair)</b>
Fashion InStyle	19-22 April
Home InStyle	19-22 April
Hong Kong International Home Textiles and Furnishings Fair	19-22 April
Hong Kong International Printing & Packaging Fair	19-22 April
Hong Kong Gifts & Premium Fair	19-22 April
Hong Kong International Medical and Healthcare Fair	16-18 May
Asia Summit on Global Health	17-18 May

The above work has been subsumed under the overall estimated expenditure and staff establishment of the HKTDC, and cannot be quantified separately.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB172**

**(Question Serial No. 3514)**

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee on the following:

1. The “LeaveHomeSafe” mobile support stations have ceased operation and been converted into real-name registration for subscriber identification module (SIM) cards support stations since 8 January 2023. Have additional expenses been involved? If yes, what are the details?
2. Has the Government conducted any regular inspections to step up the monitoring of contractors since the provision of such support stations? If yes, please set out the details of inspections of the support stations by month. If no, please specify the reasons.
3. It is learnt that 2 support station staff members have been laid off for neglect of duty. Have additional expenses been involved? If yes, what are the details?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 30)

Reply:

The Office of the Communications Authority (OFCA) engaged a service provider to set up support stations at 25 MTR stations in Hong Kong from 8 January to 23 February 2023 to provide support service for real-name registration of subscriber identification module cards. The relevant cost was borne by the OFCA Trading Fund. OFCA monitored the service provider's performance throughout the above-mentioned period and required the service provider to report regularly on the operation of the support stations and the number of enquiries/registrations handled. Regarding the photographs circulated on the Internet concerning the support station at the North Point MTR station, the service provider confirmed with OFCA that the persons involved were their staff, who had either resigned or been dismissed afterwards. No additional government expenses were incurred. OFCA also

strongly demanded the service provider to seriously monitor the performance of all frontline staff, including stepping up regular surveillance so as to ensure that their staff were proactive and dutiful in providing services to the public.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB173**

**(Question Serial No. 3504)**

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Broadcasting (Eddie CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government allocates funds to enhance the cross-media multi-language broadcasting and programme content of Radio Television Hong Kong, tell good stories of Hong Kong and our nation, and emphasise extensive publicity.

In this regard, can the Government inform this Committee of: how to make reasonable arrangements for and avoid duplication of such activities and related resource input, as well as enabling the public to see the results?

Asked by: Hon YIM Kong (LegCo internal reference no.: 25)

Reply:

Under the synergy among radio, television and new media, Radio Television Hong Kong will actively enhance the cross-media multi-language broadcasting and programme content in all dimensions through different themes, formats and viewer/audience-targeted programmes (including new informative programmes to showcase the premier business environment in Hong Kong, new English music programmes, new magazine programmes to present Hong Kong's cultural diversity, etc.) to keep expatriates in Hong Kong as well as people in the Mainland and overseas apprised of the latest developments and appeal of Hong Kong in various fields (e.g. finance and economies, investments, innovation and technology, culture and arts, education and daily living, etc.) with a view to telling good stories of China and Hong Kong.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB174**

**(Question Serial No. 3479)**

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Ms Maggie WONG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the numbers of applications received and approved for the SME Export Marketing Fund (EMF) in the past year? Please provide a breakdown of expenditure and establishment involved. Please provide a breakdown of the rejection reasons if there were applications that are not approved.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 9)

Reply:

In 2022, the SME Export Marketing Fund (EMF) received a total of 21 496 applications<sup>Note</sup>, and 15 888 applications were approved, involving a total grant of \$330 million. 2 479 applications were rejected, mainly because applicant enterprises had not provided sufficient information and supporting documents for processing the applications.

The implementation of the EMF is part of the regular duties of the Trade and Industry Department (TID). The necessary staff establishment and expenditure are subsumed under TID's overall establishment and estimated expenditure which cannot be quantified separately.

Note: Applications received may not be processed in the same year. The figure also covers applications that could not be processed owing to a lack of necessary information and those voluntarily withdrawn by enterprises.

- End -