

**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2005-06**

Director of Bureau : Secretary for Economic Development and Labour

Session No. : 9

File name: EDLB(ED)-e1.doc

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EDLB(ED)024	0797	LI Fung-ying	42	Mechanical engineering installations safety
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EDLB(ED)026	0058	KWONG Chi-kin	100	Infrastructure

EDLB(ED)027	0628	CHAN Wai-yip, Albert	100	Port Services
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EDLB(ED)029	0659	WONG Ting-kwong	100	Port Services
EDLB(ED)030	0787	LAU Kin-yee, Miriam	100	Local Services
EDLB(ED)031	0866	CHAN Kam-lam	100	Services to Ships
EDLB(ED)032	1586	LI Fung-ying	100	Port Services
EDLB(ED)033	1638	CHAN Kam-lam	100	Not Applicable
EDLB(ED)034	1639	CHAN Kam-lam	100	Not Applicable
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EDLB(ED)054	0280	KWONG Chi-kin	145	Travel and Tourism
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EDLB(ED)086	1308	LAU Wai-hing, Emily	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)087	1309	LAU Wai-hing, Emily	145	Posts, Power, Competition Policy and Consumer Protection
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EDLB(ED)092	1440	WONG Kwok-hing	145	Travel and Tourism
EDLB(ED)093	1441	WONG Kwok-hing	145	Travel and Tourism
EDLB(ED)094	1442	WONG Kwok-hing	145	Subvention: Consumer Council
EDLB(ED)095	1446	WONG Kwok-hing	145	Travel and Tourism
EDLB(ED)096	1492	YOUNG Howard	145	Air and Sea Communications and Logistics Development
EDLB(ED)097	1493	YOUNG Howard	145	Travel and Tourism
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EDLB(ED)100	1600	CHAN Kam-lam	145	Travel and Tourism
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EDLB(ED)102	1655	WONG Ting-kwong	145	Posts, Power, Competition Policy and Consumer Protection
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EDLB(ED)104	1702	SIN Chung-kai	145	Subvention: Hong Kong Tourism Board
EDLB(ED)105	1703	SIN Chung-kai	145	Subvention: Hong Kong Tourism Board
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EDLB(ED)107	1708	SIN Chung-kai	145	Subvention: Consumer Council
EDLB(ED)108	1709	SIN Chung-kai	145	Subvention: Hong Kong Tourism Board
EDLB(ED)109	1710	SIN Chung-kai	145	Subvention: Hong Kong Tourism Board
EDLB(ED)110	1711	SIN Chung-kai	145	Subvention: Hong Kong Tourism Board
EDLB(ED)111	1712	SIN Chung-kai	145	Subvention: Hong Kong Tourism Board
EDLB(ED)112	1713	KWONG Chi-kin	145	Subvention: Hong Kong Tourism Board
EDLB(ED)113	1746	KWONG Chi-kin	145	Subvention: Hong Kong Tourism Board
EDLB(ED)114	1747	KWONG Chi-kin	145	Subvention: Hong Kong Tourism Board
EDLB(ED)115	1825	TONG Ka-wah	145	Travel and Tourism
EDLB(ED)116	1826	TONG Ka-wah	145	Air and Sea Communications and Logistics Development

EDLB(ED)117	1829	TONG Ka-wah	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)118	1833	LEUNG Kwan-yuen, Andrew	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)119	1834	LEUNG Kwan-yuen, Andrew	145	Air and Sea Communications and Logistics Development
EDLB(ED)120	0084	FUNG Kin-kee, Frederick	168	Weather Services
EDLB(ED)121	0085	FUNG Kin-kee, Frederick	168	Weather Services
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Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)001

Question Serial No.

0145

Head: 28 Civil Aviation Department

Subhead: 000 Operational expenses

Programme:

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question: Please give reasons why, other than Salaries and Mandatory Provident Fund contribution, there are significant increases in the estimates for all remaining items under operational expenses.

Asked by: Hon. CHAN Kam-lam

Reply: The provision under Subhead 000 Operational expenses for 2005-06 is \$30.86 million higher than the 2004-05 revised estimate. This is mainly due to:

	<u>Estimated Cost</u> \$ m
1. Procurement of additional specialized stores and spare parts for the maintenance of the air traffic control system, radar systems, speech processing equipment and communications systems	16.00
2. Additional expenditure on the maintenance of air traffic control system under the Technical Services Agreement	6.40
3. Purchase of 12 radar display monitors	4.70
4. Procurement of additional liquid crystal display monitors for the Radar Data Processing and Display System	2.67
5. Payment of service charges for the use of very high frequency communications facilities and Secondary Surveillance Radar	2.20
6. Additional expenses arising from the expansion of air services	1.80
7. Payment of charges for satellite link for Very Small Aperture Terminal	0.60

	<u>Estimated Cost</u> <u>\$ m</u>
8. Additional expenditure for the organization of training courses and the enhancement of aviation security-related inspections	0.40
9. Estimated acting allowances, typhoon allowances and hardship allowances for rainstorm black warning made on the basis of the circumstances of a normal year	0.53
10. Increase in Civil Service Provident Fund contribution due to transfer of staff to new permanent terms	0.17
11. Decreased expenditure arising from the 2005 civil service pay cut and reduced requirement on Mandatory Provident Fund contribution	(4.61)
	<hr/> <u>30.86</u> <hr/>

Signature	<hr/>
Name in block letters	NORMAN LO
Post Title	<hr/> Director-General of Civil Aviation <hr/>
Date	7.4.2005 <hr/>

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)002

Question Serial No.

0411

Head : 28 Civil Aviation Department Subhead (No. & title) :

Programme : (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Regarding Matters Requiring Special Attention in 2005-06, it is stated that the department will continue to co-ordinate with adjacent air traffic control authorities to facilitate the operation of aircraft to and from Shenzhen, Zhuhai, Macau and Hong Kong airports. What are the details and the estimated resources involved?

Asked by : Hon. YOUNG Howard

Reply : The Civil Aviation Department (CAD) will continue to co-ordinate with neighbouring air traffic control authorities in the Pearl River Delta to improve the existing air traffic control procedures. A tripartite working group, comprising representatives from the General Administration of Civil Aviation of China, the Civil Aviation Authority of Macau and CAD, is now working closely on the long-term airspace and air traffic management plan for the provision of reliable and efficient air traffic control services to support air services growth in the region up to 2020. The working group met twice in 2004-05. Such co-ordinating work is absorbed by existing resources in CAD's Air Traffic Management Division.

Signature	_____
Name in block letters	<u>NORMAN LO</u>
Post Title	<u>Director-General of Civil Aviation</u>
Date	<u>4.4.2005</u>

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)003

Question Serial No.

0412

Head : 28 Civil Aviation Department Subhead (No. & title) :

Programme : (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Regarding Matters Requiring Special Attention in 2005-06, it is stated that the department will continue to refine the air traffic control procedures and effect improvement to facilities, in view of promoting flight safety and operational efficiency and enhancing air traffic control system capacity. What are the details and how much provision will be allocated?

Asked by : Hon. YOUNG Howard

Reply : In 2005-06, the Civil Aviation Department will introduce new departure and approach procedures that are supported by the Global Positioning System navigation. The new procedures will provide more accurate track keeping of aircraft and enhance flight safety.

The review and refining of air traffic control procedures is an ongoing function of the department. The work is undertaken by the Air Traffic Management Division using existing resources. The provision for the Division in 2005-06 is \$255.8 million.

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)004

Question Serial No.

0413

Head : 28 Civil Aviation Department Subhead (No. & title) :

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : It is stated that during 2005-06, the department will continue to review the demand for helicopter services and take forward necessary statutory procedures for the development of heliports. How much resources have been allocated to develop helicopter services and how much resources and manpower will be involved in taking forward necessary statutory procedures for development? What are the plans in 2005-06?

Asked by : Hon. YOUNG Howard

Reply : To facilitate the development of cross-boundary helicopter services in Hong Kong, the Government would proceed with the expansion of the existing cross-boundary heliport at the Macau Ferry Terminal (MFT). In 2005-06, the Government will complete the detailed environmental impact assessment study for the MFT expansion project and will conduct an open tendering exercise for the development and operation of the expanded facility. To meet the demand for cross-boundary helicopter services in the long term, we will continue to explore the feasibility of developing another cross-boundary heliport near the proposed cruise terminal in South East Kowloon under the current Kai Tak Planning Review.

As regards domestic helicopter services, we have completed a preliminary technical feasibility study on a proposed domestic heliport in Sheung Wan. The Legislative Council (LegCo), the District Councils concerned and the Harbour-front Enhancement Committee were consulted on this proposal between December 2004 and February 2005. In view of the public views expressed and the LegCo's support for allowing commercial uses at the Government heliport planned at the site near the Convention and Exhibition Centre, we are currently re-examining the way forward.

As regards resources, the Civil Aviation Department (CAD) would spend about \$570,000 for the consultancy study on the environmental impact assessment for the MFT expansion project. CAD will continue to use existing manpower resources for these projects.

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)005

Question Serial No.

0416

Head: 28 Civil Aviation Department

Subhead: 000 Operational expenses

Programme:

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question: For Subhead 000 Operational expenses, the estimate of Civil Service Provident Fund contribution is \$173,000 (93%) higher than the revised estimated in 2004-05. Please account for the estimated increase.

Asked by: Hon. YOUNG Howard

Reply: The estimated increase is due to the additional Civil Service Provident Fund contribution for staff to be transferred to new permanent terms in 2005-06, as well as the full-year effect of similar transfer in 2004-05.

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)006

Question Serial No.

0417

Head :28 Civil Aviation Department Subhead (No. & title) :

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : It is noted that the problem of aircraft noise is getting worse in recent years, with incidence of aircraft noise above 75 decibel ever increasing. However, the financial provision in 2005-06 for Air Services under this programme is 2.9% lower than the original estimate for 2004-05. Could the Administration explain how the noise abatement programme will be implemented to tackle the deteriorating aircraft noise problem when the financial provision is cut?

Asked by : Hon. CHAN Wai-yip, Albert

Reply : In addition to monitoring the noise generated by aircraft operating to and from the Hong Kong International Airport, the Air Services Division of the Civil Aviation Department is also responsible for monitoring helicopter services, facilitating the development of heliports, regulating scheduled and non-scheduled air services as well as supporting civil aviation-related legislative work. The estimated reduction of \$0.7 m in the provision for 2005-06 is related to work other than aircraft noise monitoring. Manpower and equipment expenditure in relation to monitoring aircraft noise will not be reduced.

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)007

Question Serial No.

1422

Head : 28 Civil Aviation Department Subhead (No. & title) :

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : According to Programme (5), the Civil Aviation Department will continue to “regularly review the demand for helicopter services and take forward necessary statutory procedures for the development of heliports” in 2005-06. Please provide details of the Administration’s plans for the construction of heliports, including the sites identified, the relevant schedules and estimated expenditure.

Asked by : Hon. WONG Kwok-hing

Reply : To facilitate the development of cross-boundary helicopter services in Hong Kong, the Government would proceed with the expansion of the existing cross-boundary heliport at the Macau Ferry Terminal (MFT). In 2005-06, the Government will complete the detailed Environmental Impact Assessment (EIA) study for the MFT expansion project and will conduct an open tendering exercise for the development and operation of the expanded facility. The Civil Aviation Department would spend about \$570,000 to conduct the EIA. Since the heliport is planned to be developed and operated by the private sector, no Government expenditure would be involved in this regard. It is expected that the new facility would come into operation in early 2008. To meet the demand for cross-boundary helicopter services in the long term, we will continue to explore the feasibility of developing another cross-boundary heliport near the proposed cruise terminal in South East Kowloon under the current Kai Tak Planning Review.

As regards domestic helicopter services, the Legislative Council (LegCo), the District Councils concerned and the Harbour-front Enhancement Committee were consulted on this proposal between December 2004 and February 2005. In view of the public views expressed and the LegCo’s support for allowing commercial uses at the Government helipad planned at the site near the Convention and Exhibition Centre, we are currently re-examining the way forward, including the timing and resources implications.

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)008

Question Serial No.

1653

Head : 28 Civil Aviation Department

Subhead (No. & title) :

Programme : (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Under matters requiring special attention in 2005-06, it is stated that the Civil Aviation Department (CAD) will continue to recruit air traffic control staff to meet the anticipated air traffic services demand. How many air traffic control staff will be recruited? What is the provision required? Does the recruitment aim at providing additional manpower or making up for the turnover?

Asked by : Hon WONG Ting-kwong

Reply : In 2005-06, the CAD will recruit 12 Student Air Traffic Control Officers at an estimated expenditure of \$3.5 million. Since the recruitment is to fill the vacancies arising from natural wastage, it will not give rise to additional resources implication.

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)009

Question Serial No.

0536

Head : 31 Customs and Excise Department Subhead : (No. & title)

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Economic Development and Labour

Question :

In respect of Programme (3),

- (a) why is there a decrease in the number of spot checks in relation to weights and measures enforcement as compared with last year?
- (b) why is there a decrease in the number of spot checks in relation to Precious Metals Marking Orders enforcement as compared with last year?

Is the decrease in the number of spot checks for the above two items related to a shortage of staff?

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

- (a) The estimate of 580 spot checks in relation to weights and measures enforcement is a target set for planning our work in 2005. The same estimate had been set for 2004. The actual number of spot checks conducted in 2004 was slightly higher than the original estimated number because of specific complaints received against scrap traders which had caused concern. The complaints against scrap traders have subsided since early 2005. For 2005, although the target remains at 580, we will increase the number of spot checks should the need arise. Overall the total numbers of complaints received in relation to weights and measures had been steady, i.e. 416 in 2003 and 412 in 2004.
- (b) Same as item (a) above, the number of spot checks set for 2005 (70) on Precious Metals Marking Orders enforcement is our target for planning purpose only. The target was the same as for 2004. However, we had conducted more checks on retailers selling gold and platinum items in 2004 (82) to support the "Individual Visitors Scheme" and to offer more protection to consumers. No major discrepancy had been revealed from the checks so far. In fact, the number of complaints about breaches of the Precious Metals Marking Orders had decreased, from eleven in 2003 to five in 2004. Hence, we do not see the need to maintain a higher number of checks in 2005. Nevertheless, we will conduct more spot checks if such a need arises.

Signature _____

Name in block letters _____

TIMOTHY H M TONG

Post Title _____

Commissioner of Customs and
Excise

Date _____

6 April 2005

Reply Serial No.

EDLB(ED)010

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0055

Head : 33 Civil Engineering and Development Department Subhead:

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

In regard to the services relating to port and marine facilities, the inspection target of the public piers (urban: twice a year; rural: once a year) was achieved in 2003 and 2004. As such, will the authorities concerned consider increasing the number of this kind of inspection so as to improve the standard of services. If yes, what resources will be involved? If no, please give reasons.

Asked by : Hon. KWONG Chi-kin

Reply :

The target of inspecting urban public piers twice a year and rural ones once a year are routine inspection target adopted by Civil Engineering and Development Department. To ensure pier safety and service standards, we will deploy existing resources to increase the frequency of inspection on individual piers in the light of their utilisation rate and structural conditions.

Signature	_____
Name in block letters	T K TSAO
Post Title	Director of Civil Engineering and Development
Date	6 April 2005

Reply Serial No.

EDLB(ED)011

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0430

Head : 33 Civil Engineering and Development Department Subhead :

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

In this programme, the Administration will maintain 302 piers in 2005. Please list out the name and location of these piers.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

In 2005-06, the Civil Engineering and Development Department will maintain 302 piers including landing steps. The name and location of these piers are set out at the list attached.

Signature _____

Name in block letters T K TSAO

Post Title Director of Civil Engineering
and Development

Date 7.4.2005

Civil Engineering and Development Department
List of Piers (including Landing Steps) for Maintenance

Item No.	Marine Structure No.	Location	Name
1	HP110	Sheung Wan	Macau Ferry Terminal Outer Pier
2	HP109	Sheung Wan	Macau Ferry Terminal Inner Pier
3	KP065	Tsim Sha Tsui	China Ferry Terminal
4	HP091	Central	Central Pier No. 1
5	HP134	Central	Central Pier No. 3
6	HP135	Central	Central Pier No. 4
7	HP123	Central	Central Pier No. 5
8	HP124	Central	Central Pier No. 6
9	HP125	Central	Central Pier No. 7
10	HP092	Central	Queen's Pier
11	HP094	Green Island	Green Island CSD Pier
12	HP095	Green Island	Green Island Police Pier
13	HP099	Kennedy Town	Kennedy Town Incinerator Pier
14	HP100	Kennedy Town	Kennedy Town Poultry Pier
15	HP101	Kennedy Town	Kennedy Town Old Cattle Pier
16	HP102	North Point	North Point (FSD) Pier
17	HP105	North Point	Tong Shui Road Pier
18	HP106	Sai Wan Ho	Sai Wan Ho Marine Police Base (East) Pier
19	HP107	Sai Wan Ho	Sai Wan Ho Marine Police Base (West) Pier
20	HP117	Western District	Western Wholesale Food Market Pier No. 1
21	HP118	Western District	Western Wholesale Food Market Pier No. 2
22	HP119	Western District	Western Wholesale Food Market Pier No. 3
23	HP120	Western District	Western Wholesale Food Market Pier No. 4
24	HP121	Western District	Western Wholesale Food Market Pier No. 5
25	HP126	Central	Edinburgh Place Ferry Pier
26	HP127	North Point	North Point (East) Ferry Pier
27	HP128	North Point	North Point Vehicular Ferry Pier
28	HP129	North Point	North Point (West) Ferry Pier
29	HP130	Wan Chai	Wan Chai (East) Ferry Pier
30	HP131	Wan Chai	Wan Chai (West) Ferry Pier
31	HP132	Wan Chai	Hong Kong Convention & Exhibition Centre Ferry Pier
32	IP052	Tung Chung	Tung Chung Development Pier
33	IP063	Cheung Chau	Cheung Chau Ferry Pier

Item No.	Marine Structure No.	Location	Name
34	IP064	Yung Shue Wan	Yung Shue Wan Ferry Pier
35	IP065	Mui Wo	Mui Wo Ferry Pier
36	IP066	Mui Wo	Mui Wo Vehicular Ferry Pier
37	IP067	Peng Chau	Peng Chau Ferry Pier
38	KP041	Hung Hom	Dyer Avenue Pier
39	KP042	Hung Hom	International Mail Centre Pier No. 1
40	KP043	Hung Hom	International Mail Centre Pier No. 2
41	KP044	Hung Hom	International Mail Centre Pier No. 3
42	KP045	Hung Hom	International Mail Centre Pier No. 4
43	KP047	Kai Tai	Kai Tak Pier
44	KP048	Kowloon City	Ma Tau Kok Public Pier
45	KP057	Kwai chung	Stonecutters Island PCWA
46	KP058	Kwun Tong	Kwun Tong Public Pier
47	KP060	Stonecutters Island	Government Dockyard Jetty No. 2
48	KP061	Stonecutters Island	Government Dockyard Jetty No. 2A
49	KP062	Stonecutters Island	Government Dockyard Jetty No. 3A
50	KP063	Stonecutters Island	Government Dockyard Jetty No. 3B
51	KP064	Stonecutters Island	Government Dockyard Jetty No. 3C
52	KP070	Tsim Sha Tsui	Kowloon Public Pier
53	KP073	Cheung Sha Wan	Pond Fish Market Pier
54	KP075	Cheung Sha Wan	Vegetable & Poultry Market Pier No. 1
55	KP076	Cheung Sha Wan	Vegetable & Poultry Market Pier No. 2
56	KP077	Cheung Sha Wan	Water Boat Dock Pier
57	KP083	Hung Hom	Hung Hom (North) Ferry Pier
58	KP084	Hung Hom	Hung Hom (South) Ferry Pier
59	KP085	Kowloon City	Kowloon City Ferry Pier
60	KP086	Kowloon City	Kowloon City Vehicular Ferry Pier
61	KP087	Kwun Tong	Kwun Tong (East) Vehicular Ferry Pier
62	KP088	Kwun Tong	Kwun Tong Ferry Pier
63	KP089	Kwun Tong	Kwun Tong (West) Vehicular Ferry Pier
64	KP090	Yau Tong	Sam Ka Tsuen Ferry Pier
65	KP091	Tsim Sha Tsui	Tsim Sha Tsui Ferry Pier
66	KP092	Tsuen Wan	Tsuen Wan Ferry Pier
67	KP093	Tsuen Wan	Tsuen Wan Public Landing Steps
68	KP095	Tsim Sha Tsui	Tsim Sha Tsui Fire Boat Berth Pier
69	NP123	Tsing Yi	Tsing Yi Public Pier
70	NP125	Tsuen Wan	Yau Kam Tau Pier
71	NP142	Tuen Mun	Tuen Mun Ferry Pier
72	HP082	Aberdeen	Brick Hill Salt Water Pumping Station Pier
73	HP083	Aberdeen	Aberdeen AFD & MD Licensing Station Pier
74	HP084	Aberdeen	Aberdeen Marine Police Base Pier

Item No.	Marine Structure No.	Location	Name
75	HP116	Tai Tam Bay	Tai Tam Bay Pier
76	IP026	Cheung Chau	Cheung Chau Public Pier
77	IP029	Hei Ling Chau	Hei Ling Chau Pier
78	IP031	Sok Kwu Wan, Lamma Island	Sok Kwu Wan Pier No. 2
79	IP039	Sok Kwu Wan, Lamma Island	Sok Kwu Wan Public Pier
80	IP040	Yung Shue Wan, Lamma Island	Yung Shue Wan Public Pier
81	IP041	Lantau Island	Mui Wo Fire Boat Pier
82	IP042	Lantau Island	Shek Pik Pier
83	IP043	Lantau Island	To Kau Wan Shipyard Piers
84	IP047	Lantau Island	Chi Ma Wan Pier
85	IP049	Lantau Island	Sha Lo Wan Pier
86	IP053	Lantau Island	Tung Chung Public Pier
87	IP054	Ma Wan	Ma Wan Public Pier
88	IP055	Peng Chau	Peng Chau Public Pier
89	IP056	Peng Chau	Tai Lei Island Pier
90	IP057	Waglan Islands	Waglan Pier
91	IP060	Shek Kwu Chau	Shek Kwu Chau Pier
92	IP061	Clear Water Bay	Tung Lung Chau Public Pier
93	NP051	Clear Water Bay	Joss House Bay Public Pier
94	NP052	Deep Bay	Tsim Bei Tsui Pier
95	NP053	Mirs Bay	Tung Ping Chau Public Pier
96	NP071	Sai Kung	Hap Mun Bay Public Pier
97	NP073	Sai Kung	Sai Kung Public Pier
98	NP076	Sai Kung	Tso Wo Hang Pier
99	NP082	Sha Tau Kok	Ap Chau Public Pier
100	NP083	Sha Tau Kok	Kat O Chau Pier
101	NP084	Sha Tau Kok	Sha Tau Kok Public Pier
102	NP088	Shatin	Wu Kai Sha Pier
103	NP090	Sham Tseng	Gemini Point Pier
104	NP091	Sham Tseng	Sham Tseng Public Pier
105	NP097	Tai Po	Tai Po Railway Pier
106	NP109	Tolo Harbour	Kau Lau Wan Public Pier
107	NP110	Tolo Harbour	Kei Ling Ha Hoi Pier
108	NP111	Tolo Harbour	Lai Chi Chong Pier
109	NP112	Tolo Harbour	Sham Chung Pier
110	NP113	Tolo Harbour	Tap Mun Pier
111	NP114	Tolo Harbour	Wong Shek Pier
112	NP128	Tuen Mun	Kadoorie Pier
113	NP141	Ma Liu Shui	Ma Liu Shui Ferry Pier
114	NP149	Sai Kung	Pak Sha Wan Pier No.2

Item No.	Marine Structure No.	Location	Name
115	HP008	Aberdeen	Aberdeen Wholesale Fish Market Landing No. 3
116	HP009	Aberdeen	Aberdeen Praya Road Landing No. 6
117	HP010	Aberdeen	Aberdeen Praya Road Landing No. 7
118	HP011	Po Chong Wan	Po Chong Wan Landing No. 1
119	HP012	Shek Pai Wan	Shek Pai Wan Landing No. 1
120	HP013	Shek Pai Wan	Shek Pai Wan Landing No. 2
121	HP014	Shek Pai Wan	Shek Pai Wan Landing No. 3
122	HP015	Shum Wan	Shum Wan Landing No. 1
123	HP016	Aberdeen	Aberdeen Praya Road Landing No. 1
124	HP017	Aberdeen	Aberdeen Praya Road Landing No. 2
125	HP018	Aberdeen	Aberdeen Praya Road Landing No. 3
126	HP019	Aberdeen	Aberdeen Praya Road Landing No. 4
127	HP020	Aberdeen	Aberdeen Praya Road Landing No. 5
128	HP022	Ap Lei Chau	Ap Lei Chau PCWA Landing
129	HP023	Ap Lei Chau	Ap Lei Chau Landing No. 5
130	HP024	Ap Lei Chau	Ap Lei Chau Landing No. 1
131	HP025	Ap Lei Chau	Ap Lei Chau Landing No. 2
132	HP026	Ap Lei Chau	Ap Lei Chau Landing No. 3
133	HP027	Ap Lei Chau	Ap Lei Chau Landing No. 4
134	HP028	Causeway Bay	Hing Fat Street Landing No. 1
135	HP029	Causeway Bay	Hing Fat Street Landing No. 2
136	HP034	Causeway Bay	Causeway Bay Typhoon Shelter Landing No. 8
137	HP035	Causeway Bay	Causeway Bay Typhoon Shelter Landing No. 3
138	HP036	Causeway Bay	Causeway Bay Typhoon Shelter Landing No. 4
139	HP037	Causeway Bay	Causeway Bay Typhoon Shelter Landing No. 7
140	HP038	Watson Road	Watson Road Landing
141	HP039	Central	Central (C & E) Landing No. 1
142	HP040	Central	Central (C & E) Landing No. 2
143	HP041	Central	Central (C & E) Landing No. 3
144	HP042	Central	Central (C & E) Landing No. 4
145	HP048	Central	Central Landing No. 10
146	HP049	Central	Central Landing No. 5
147	HP050	Central	Central Landing No. 7
148	HP051	Central	Central Landing No. 8
149	HP052	Central	Central Landing No. 9
150	HP053	Central	Central Landing No. 6
151	HP057	Western District	Western PCWA Landing No. 1
152	HP058	Sai Ning Street	Sai Ning Street Landing No. 1
153	HP059	Sai Ning Street	Sai Ning Street Landing No. 2

Item No.	Marine Structure No.	Location	Name
154	HP060	Oil Street	Oil Street Landing No. 1
155	HP061	Oil Street	Oil Street Landing No. 2
156	HP062	North Point	North Point Police Station Landing
157	HP068	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 10
158	HP069	Quarry Bay	Quarry Bay Park Landing No. 1
159	HP070	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 1
160	HP071	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 2
161	HP072	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 3
162	HP073	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 4
163	HP074	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 5
164	HP075	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 7
165	HP076	Sheung Wan	Sheung Wan Landing No. 1
166	HP077	Siu Sai Wan	Siu Sai Wan Landing No. 1
167	HP080	Wan Chai	Hong Kong Convention & Exhibition Centre Landing
168	HP081	Wan Chai	Fenwick Pier Street Landing
169	HP113	St. Stephen's Beach	St. Stephen's Beach (South) Pier
170	HP133	Shau Kei Wan	Shau Kei Wan Typhoon Shelter Landing No. 9
171	HP137	Shau Kei Wan	Shau Kei Wan Typhoon Shelter No. 6
172	HP138	Wan Chai	Servicemen's Guide Association Temporary Landing
173	HP141	Siu Sai Wan	Siu Sai Wan Landing No. 2
174	HP142	Sheung Wan	Sheung Wan Landing No. 2
175	KP001	Cheung Sha Wan	Cheung Sha Wan Marine Police Base Landing
176	KP004	Cheung Sha Wan	Cheung Sha Wan Landing No. 3
177	KP005	Hung Hom	Hung Hom Landing No. 7
178	KP006	Hung Hom	Hung Hom Landing No. 8
179	KP007	Hung Hom	Tai Wan Shan Landing
180	KP008	To Kwa Wan	To Kwa Wan Landing
181	KP009	Kai Tak	Kai Tak Fire Boat Landing No. 1
182	KP010	Kai Tak	Kai Tak Fire Boat Landing No. 2
183	KP011	Kowloon Bay	Kowloon Bay Landing No. 1
184	KP012	To Kwa Wan	King Wan Street Landing
185	KP013	Sam Ka Tsuen	Sam Ka Tsuen Landing No. 1

Item No.	Marine Structure No.	Location	Name
186	KP014	Sam Ka Tsuen	Sam Ka Tsuen Landing No. 2
187	KP015	Sam Ka Tsuen	Sam Ka Tsuen Landing No. 3
188	KP020	Government Dockyard	Government Dockyard C & E Landing
189	KP021	Government Dockyard	Government Dockyard Landing No. 1
190	KP022	Government Dockyard	Government Dockyard Landing No. 2
191	KP023	Government Dockyard	Government Dockyard Landing No. 3
192	KP024	Government Dockyard	Government Dockyard Landing No. 4
193	KP025	Government Dockyard	Government Dockyard Landing No. 5
194	KP026	Tai Kok Tsui	Tai Kok Tsui Landing
195	KP030	Tsim Sha Tsui	Tsim Sha Tsui Landing No. 2
196	KP036	Yau Ma Tei	Yau Ma Tei Typhoon Shelter Landing No. 1
197	KP037	Yau Ma Tei	Yau Ma Tei Typhoon Shelter Landing No. 2
198	KP038	Yau Ma Tei	Yau Ma Tei Typhoon Shelter Landing No. 3
199	KP039	Yau Ma Tei	Yau Ma Tei Typhoon Shelter Landing No. 4
200	KP040	Yau Ma Tei	Yau Ma Tei Typhoon Shelter Landing No. 5
201	KP094	Government Dockyard	Government Dockyard Landing No. 6
202	IP003	Cheung Chau	Cheung Chau Complex Landing
203	IP004	Cheung Chau	Pak She Praya Road Landing
204	IP005	Cheung Chau	Sai Wan Landing
205	IP006	Cheung Chau	Praya Street Landing
206	IP007	Cheung Chau	Tai Hing Tai Road Landing No. 1
207	IP008	Cheung Chau	Tai Hing Tai Road Landing No. 2
208	IP009	Cheung Chau	Tai Hing Tai Road Landing No. 3
209	IP010	Mui Wo	Mui Wo Landing No. 1
210	IP011	Mui Wo	Mui Wo Landing No. 2
211	IP012	Mui Wo	Mui Wo Landing No. 3
212	IP014	Peng Chau	Peng Chau Landing No. 1
213	IP015	Peng Chau	Peng Chau Landing No. 2
214	IP018	Waglan	Waglan Landing
215	IP019	Shek Kwu Chau	Shek Kwu Chau Landing No. 1
216	IP020	Shek Kwu Chau	Shek Kwu Chau Landing No. 2
217	IP021	Tai A Chau	Tai A Chau Landing No. 1

Item No.	Marine Structure No.	Location	Name
218	IP022	Tai A Chau	Tai A Chau Landing No. 2
219	IP023	Tai A Chau	Tai A Chau Landing No. 3
220	IP024	Tathong Point	Tathong Point Landing
221	IP025	Siu Mo To	Siu Mo To Jetty
222	IP027	Cheung Chau	Sai Wan Jetty
223	IP028	Hei Ling Chau	Hei Ling Chau Cargo Handling Pier
224	IP035	Lamma Island	Lo Tik Wan Pier
225	IP048	Lantau Island	Pak Mong Pier
226	IP050	Lantau Island	Tai O Public Pier
227	IP051	Lantau Island	Tai Shui Hang Pier
228	IP058	Poi Toi	Poi Toi Public Pier
229	IP059	Sha Chau	Sha Chau Pier
230	IP069	Tung Lung Chau	Tung Lung Chau (North) Pier
231	IP070	North Lantau Expressway	Tsing Chau Wan Landing
232	IP071	North Lantau Expressway	Tai Chuen Landing
233	IP074	Ma Wan	Ma Wan Area E2 Landing
234	IP075	Ma Wan	Tai Pai Tsui Pier
235	IP076	Yung Shue Wan	Yung Shue Wan Development Pier
236	IP077	Chek Lap Kok	Eastern Sea Rescue Landing
237	IP078	Chek Lap Kok	South Boat Point Landing
238	IP079	Chek Lap Kok	Western Sea Rescue Landing
239	IP080	Chek Lap Kok	North Boat Point Landing
240	IP082	Tung Chung	Tung Chung Development Phase 3A Landing
241	IP083	Luk Chau Tsuen	Luk Chau Tsuen Pier
242	IP084	Kau Shat Wan	Kau Shat Wan Landing No. 1
243	IP085	Kau Shat Wan	Kau Shat Wan Landing No. 2
244	IP086	Kau Shat Wan	Kau Shat Wan Landing No. 3
245	KP018	Rambler Channel	Rambler Channel PCWA Landing No. 3
246	NP001	Sai Kung Marine Police Base	Sai Kung Marine Police Base Landing No. 1
247	NP002	Sai Kung Marine Police Base	Sai Kung Marine Police Base Landing No. 2
248	NP003	Sai Kung Marine Police Base	Sai Kung Marine Police Base Landing No. 3
249	NP004	Sai Kung Marine Police Base	Sai Kung Marine Police Base Landing No. 4
250	NP008	Sai Kung	Sai Kung Town Landing No. 5
251	NP009	Sha Ha	Sha Ha Landing No. 1
252	NP010	Sha Ha	Sha Ha Landing No. 2
253	NP011	Sha Ha	Sha Ha Landing No. 3
254	NP012	Sha Ha	Sha Ha Landing No. 4

Item No.	Marine Structure No.	Location	Name
255	NP013	Sai Kung	Sai Kung Town Landing No. 1
256	NP014	Sai Kung	Sai Kung Town Landing No. 2
257	NP015	Sai Kung	Tui Min Hoi Landing No. 1
258	NP016	Sai Kung	Tui Min Hoi Landing No. 2
259	NP017	Sha Tau Kok	Sha Tau Kok Landing No. 1
260	NP018	Sha Tau Kok	Sha Tau Kok Landing No. 2
261	NP022	Ma Liu Shui Marine Police Base	Ma Liu Shui Marine Police Base Landing No. 1
262	NP023	Ma Liu Shui Marine Police Base	Ma Liu Shui Marine Police Base Landing No. 2
263	NP024	Ma Liu Shui Marine Police Base	Ma Liu Shui Marine Police Base Landing No. 3
264	NP025	Sha Tin Rowing Centre	Sha Tin Rowing Centre Landing No. 1
265	NP026	Tai Shui Hang	Tai Shui Hang Landing
266	NP029	Shuen Wan Breakwater	Shuen Wan Breakwater Landing No. 1
267	NP030	Shuen Wan Breakwater	Shuen Wan Breakwater Landing No. 2
268	NP031	Tai Mei Tuk	Tai Mei Tuk Landing
269	NP032	Tai Po	Tai Po Area 27 Landing
270	NP033	Tai Po Industrial Area	Tai Po Industrial Area Landing
271	NP034	Long Harbour Wan Tsai	Long Harbour Wan Tsai Landing
272	NP036	Tsing Yi	Tsing Yi Fire Boat Landing
273	NP039	Tsing Yi	Tsing Yi Area 6 Landing
274	NP040	Tsuen Wan	Tsuen Wan Area 2 Landing No. 1
275	NP041	Tsuen Wan	Tsuen Wan Area 2 Landing No. 2
276	NP042	Tuen Mun	Tuen Mun Area 44 Landing No. 1
277	NP043	Tuen Mun	Tuen Mun Area 44 Landing No. 2
278	NP044	Tuen Mun	Tuen Mun Area 27 Landing No. 1
279	NP045	Tuen Mun	Tuen Mun Area 27 Landing No. 2
280	NP047	Tuen Mun	Tuen Mun Area 40 Landing
281	NP065	Yim Tin Tsai	Yim Tin Tsai Pier
282	NP074	Sha Kiu Tau	Sha Kiu Tau Pier
283	NP075	Tai Tau Chau	Tai Tau Chau Pier
284	NP094	Tai Po	Sam Mum Tsai Village Pier
285	NP095	Tai Mei Tuk	Tai Mei Tuk Pier No. 1
286	NP096	Tai Mei Tuk	Tai Mei Tuk Pier No. 2
287	NP108	Sai Kung	Chek Keng Pier

Item No.	Marine Structure No.	Location	Name
288	NP145	Sai Kung	Sai Kung Town Landing No. 3
289	IP081	Lung Kwu Chau	Lung Kwu Chau Jetty
290	NP147	Po Toi O	Po Toi O Pier No. 2
291	NP148	Tseung Kwan O	Tseung Kwan O Landing
292	NP150	Tap Mun	Hai Wan Landing
293	NP151	Shatin	Shatin Area 77 Landing
294	NP152	Ma Liu Shui	Ma Liu Shui Landing No. 1
295	NP153	Ma Liu Shui	Ma Liu Shui Landing No. 2
296	NP155	Tai Lam	Tai Lam Marine Police Base Landing No.1
297	NP156	Tai Lam	Tai Lam Marine Police Base Landing No.2
298	NP157	Tai Lam	Tai Lam Marine Police Base Landing No. 3
299	NP158	Tai Lam	Tai Lam Marine Police Base Landing No. 4
300	NP159	Tai Lam	Tai Lam Marine Police Base Landing No. 5
301	NP160	Tai Lam	Tai Lam Marine Police Base Landing No. 6
302	NP161	Sham Tseng	Pier at Angler's Beach

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)012

Head : 33 Civil Engineering and Development Department

Question Serial No.

0431

Subhead :

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Administration informed that 19 posts would be deleted upon completion of the infrastructure works for phase 1 of the Hong Kong Disneyland. Please list the posts to be deleted and the duties.

Asked by : Hon. LEE Wing-tat

Reply :

The 19 posts to be deleted are listed below:

	No.
Principal Government Engineer	1
Chief Engineer	1
Senior Engineer	5
Engineer/Assistant Engineer	5
Senior Geotechnical Engineer	1
Geotechnical Engineer/Assistant Geotechnical Engineer	1
Senior Landscape Architect	2
Senior Technical Officer (Civil)	1
Technical Officer (Civil)/Technical Officer Trainee (Civil)	1
Clerical Officer	1
<hr/>	
Total =	19

The above posts are responsible for administration, coordination, expenditure and programme control, and monitoring duties for the infrastructure works for phase 1 of the Hong Kong Disneyland.

Signature _____

Name in block letters T K TSAO

Post Title Director of Civil Engineering
and Development

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06
CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION

Head : 33 Civil Engineering and Development Department

Subhead :

Programme: (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2005-06, the Department will continue to carry out the following:

1. construction of the Tai O sheltered boat anchorage;
2. reconstruction of the public piers at Sha Tau Kok, Wong Shek and Ko Lau Wan;
3. construction of the public pier at Stanley;
4. design of public piers at Sham Chung and Lai Chi Chong.

What are their cumulative expenditure? What are their estimated expenditure in 2005-06? How are the progress of works? When will the above construction be completed?

Asked by : Hon. WONG Kwok-hing

Reply :

The cumulative expenditure of the first three projects up to the end of 2004-05, their estimated expenditure in 2005-06, work progress and estimated completion date are tabulated below-

Project	Cumulative Expenditure up to end 2004-05	Estimated Expenditure in 2005-06	Work Progress	Estimated Completion Date
Construction of Tai O sheltered boat anchorage	\$205 million	\$69 million	About 78% completed	August 2005
Reconstruction of public piers at Sha Tau Kok, Wong Shek and Ko Lau Wan	\$11 million	\$47 million	About 10% completed	December 2006

Project	Cumulative Expenditure up to end 2004-05	Estimated Expenditure in 2005-06	Work Progress	Estimated Completion Date
Construction of public pier at Stanley	\$2 million	\$10 million	About 8% completed	February 2007

The Civil Engineering and Development Department is carrying out planning and design work for the public piers at Sham Chung and Lai Chi Chong. Since the Government has recently announced a new nature conservation policy which has identified 12 priority sites including Sham Chung for enhanced conservation, we will review the reconstruction plan of these two piers in end-May 2005 after the close of the application period for the pilot scheme of implementing the new conservation measures. Therefore, the estimated expenditure and completion date of this project are yet to be determined.

Signature	_____
Name in block letters	T K TSAO
Post Title	Director of Civil Engineering and Development
Date	7.4.2005

Reply Serial No.

EDLB(ED)014

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1046

Head : 33 Civil Engineering and Development Department Subhead :

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

For projects under planning and design in 2005-06, please list out the project estimate and construction programme for each project item.

Asked by : Hon. LAU Chin-shek

Reply :

Project estimates for projects under planning and design are listed below:

<u>Project Title</u>	<u>Project Estimate</u> (\$m)
1. Salt Water Supply System for Penny's Bay	114
2. Remaining Infrastructure Works for Penny's Bay Development	667
3. Road P1 Advance Works at Sunny Bay, Lantau	<u>499</u>

Total = 1,280

The salt water supply system for Penny's Bay is in design stage. Subject to approval of funds by the Finance Committee, construction works are scheduled to commence in 2007 for completion by 2009. As regards the Remaining Infrastructure Works for Penny's Bay Development and Road P1 Advance Works at Sunny Bay, they are still in planning stage and their construction programmes are not yet available.

Signature _____

Name in block letter

T K TSAO

Post Title

Director of Civil Engineering
and Development

Date

7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)015

Head : 33 Civil Engineering and Development Department

Question Serial No.

1112

Subhead :

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

In the past year, what are the inspection results of each of the public pier inspected by the Department ? Please list out the follow-up actions required according to the inspection results.

Asked by : Hon. LAU Chin-shek

Reply :

In 2004, the Civil Engineering and Development Department inspected 302 piers and carried out repair works to 114 of them. Those repair works included concrete repair (39 piers), fender repair and upgrading (64 piers), installation of impressed current cathodic protection system (2 piers) and other miscellaneous items (9 piers). The inspection results for the remaining 188 piers were satisfactory and no follow-up action was required.

Signature _____

Name in block letters T K TSAO

Post Title Director of Civil Engineering
and Development

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
 INITIAL WRITTEN QUESTION**

Head : 33 Civil Engineering and Development Department Subhead :

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please provide a list showing the estimated expenditure and construction period of projects under "value of marine facilities and port projects under planning and design" for the period between 2003 and 2005. Compared with 2003, please explain why there is a substantial reduction in the 2004 actual and 2005 estimate.

Asked by : Hon. LAU Chin-shek

Reply :

For the period between 2003 to 2005, the reduction in the indicator of "value of marine facilities and port projects under planning and design" is due to the completion of design and planning and commencement of construction works for a number of major projects, which include mainly sheltered boat anchorage at Tai O, construction of public pier at Stanley, reconstruction of public piers at Sha Tau Kok, Wong Shek and Ko Lau Wan.

The details of the projects for the said period are as follows:

2003		
Project	Project Estimate (\$million)	Programme
1. Construction of sheltered boat anchorage at Tai O	304	Commenced in February 2003 and is expected to be completed in August 2005.
2. Dredging of Southern Fairway & installation of 12 mooring buoys	250	The proposal was shelved in January 2004 because of the suspension of the Green Island Development Project and decrease in demand of mooring buoys.
3. Reconstruction of public piers at Sha Tau Kok, Wong Shek, Ko Lau Wan, Sham Chung and Lai Chi Chong	185	Reconstruction of public piers at Sha Tau Kok, Wong Shek and Ko Lau Wan commenced in November 2004 and is expected to be completed in December 2006. The reconstruction of

		public piers at Sham Chung and Lai Chi Chong was deferred in order to resolve objections received during gazettal and to further review the scope of the projects.	
4.	Construction of public pier at Stanley	65	Commenced in November 2004 and is expected to be completed in February 2007.
5.	Construction of Lung Ku Chau Jetty	9	Commenced in February 2003 and completed in November 2004.
6.	Strategic Overview of the Enhancement Works at Government Piers & Landing Facilities	4	Commenced in February 2003 and is expected to be completed in July 2005.
Total :		817	

2004		
Project	Project Estimate (\$million)	Programme
1. Reconstruction of Public Piers at Sha Tau Kok, Wong Shek and Ko Lau Wan	109 (Project estimate reduced through design improvement)	Commenced in November 2004 and is expected to be completed in December 2006.
2. Reconstruction of public piers at Sham Chung and Lai Chi Chong	39	Since the Government has recently announced a new nature conservation policy which has identified 12 priority sites including Sham Chung for enhanced conservation, the reconstruction plan of these two piers will be reviewed in end-May 2005 after the closure of the application period for the pilot scheme of implementing the new conservation measures. The project programme has yet to be determined and the project estimate will be subject to review.
3. Construction of Public Pier at Stanley	26 (Project estimate reduced through design improvement)	For details, please refer to item 4 above.
Total :		174

2005		
Project	Project Estimate (\$million)	Programme
1. Reconstruction of Public Piers at Sham Chung and Lai Chi Chong	39	For details, please refer to item 8 above.
Total :	39	

Signature _____
 Name in block letters **T K TSAO**
 Post Title **Director of Civil Engineering and Development**
 Date **7.4.2005**

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)018

Head : 42 Electrical and Mechanical Services Department

Question Serial No.

0603

Subhead : 700 General Non-recurrent

Programme: (1) Energy supply ; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

What are the details of item 708 "Training programme to core staff for the Electricity Market Reform" under Subhead 700? Who will be eligible for training under the programme? How many people have received training in 2004-05? What is the progress of the programme? What is the estimated cost if the programme is to be continued in 2005-06?

Asked by : Hon. WONG Kwok-hing

Reply :

Item 708 was created in 2001-02 to provide funding for training the professional staff of the Electrical and Mechanical Services Department to enable them to provide technical support in conducting the post-2008 electricity market review and to build up in-house expertise required for enforcement of the future regulatory regime.

- To date, a total of 13 training programmes, seminars and conferences on electricity market regulation and restructuring experiences in overseas electricity markets have been organised;
- In 2004-05, overseas experts were engaged to provide training in Hong Kong for about 20 staff members; and
- We expect to continue to arrange relevant training for our staff and the estimated expenditure in 2005-06 is in the order of \$212,000.

Signature _____

Name in block letters _____

Roger S.H.LAI

Post Title _____

Director of Electrical and
Mechanical Services

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)019

Question Serial No.

0604

Head : 42 Electrical and Mechanical Services Department Subhead :

Programme : (2) Mechanical engineering installations safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

One of the matters requiring the Electrical and Mechanical Services Department's special attention in 2005-06 is "to monitor the construction of a new aerial ropeway on Lantau Island". What is the progress of that project? What is the estimated cost in 2005-06? When will the project be completed?

Asked by : Hon. WONG Kwok-hing

Reply :

Electrical and Mechanical Services Department is monitoring the construction of the Tung Chung Cable Car System to ensure that it is safe for operation in accordance with the Aerial Ropeways (Safety) Ordinance (Cap. 211). The related expenditure in 2005-06 is around \$422,000.

Foundation and structure construction work of the cable car system is in progress. Installation of cable car equipment has started recently. The project is about 40% completed.

The target is to complete the project by early 2006.

Signature _____

Name in block letters Roger S. H. LAI

Post Title Director of Electrical and
Mechanical Services

Date 6.4. 2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)020

Head : 42 Electrical and Mechanical Services Department

Question Serial No.

0793

Subhead :

Programme: (1) Energy supply ; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please list the numbers of “electrical worker/contractor/competent person registration applications processed (including renewal)” in the past three years (2002 - 2004), such as the numbers of renewal applications and new applications submitted by electrical workers.

Asked by : Hon. LI Fung-ying

Reply :

The numbers of registration applications processed by the Electrical and Mechanical Services Department in respect of registered electrical workers / registered electrical contractors / competent persons in 2002–2004 are as follows –

		2002	2003	2004
Registered Electrical Workers	New Application	3 169	3 657	3 718
	Renewal Application	16 904	4 619	23 972
	Change of Grade Application*	882	848	1 024
	Sub-total	20 955	9 124	28 714
Registered Electrical Contractors	New Application	714	718	816
	Renewal Application	1 677	1 125	3 571
	Sub-total	2 391	1 843	4 387
Competent Persons	New Application	366	131	72
	Renewal Application	0	36	250
	Sub-total	366	167	322
Total		23 712	11 134	33 423

* There are five different grades of registered electrical workers (REWs). An REW of a particular grade can apply to be one of another grade upon fulfilling the relevant requirements stipulated in the Electricity Ordinance (Cap. 406).

Signature _____

Name in block letters _____ Roger S.H.LAI _____

Post Title _____ Director of Electrical and
Mechanical Services _____

Date _____ 6.4.2005 _____

Reply Serial No.

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)021

Question Serial No.

0794

Head : 42 Electrical and Mechanical Services Department Subhead :

Programme : (1) Energy supply; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2004, the number of "reported electrical incidents investigated" was 311. Please classify the incidents concerned.

Asked by : Hon. LI Fung-ying

Reply :

The breakdown of reported electrical incidents investigated by the Electrical and Mechanical Services Department in 2004 is as follows -

	No. of incidents
Damage to electricity supply lines	88
Fixed electrical installations	38
Household electrical products	78
Non-household electrical products (e.g. industrial type electrical equipment such as electric drill, industrial type freezer, etc.)	22
Others (non-electricity related or cause unknown)	85
Total	311

Signature _____

Name in block letters Roger S. H. LAI

Post Title Director of Electrical and
Mechanical Services

Date 6.4.2005

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head : 42 Electrical and Mechanical Services Department

Question Serial No.

Subhead :

0795

Programme : (1) Energy supply ; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2004, the number of "prosecutions/disciplinary actions conducted" was 300. Please state the details and results of these cases.

Asked by : Hon. LI Fung-ying

Reply :

In 2004, the Electrical and Mechanical Services Department (EMSD) initiated 300 prosecution/disciplinary cases against persons who contravened the Electricity Ordinance (Chapter 406) or its subsidiary regulations, details of which are as follows -

Details	No. of Cases	Result
<u>Prosecution</u>		
Failed to arrange periodic safety tests on fixed electrical installations	158	Fined
Supplied electrical products which did not comply with the safety standards	97	Fined
Damaged underground electricity supply cables	32	Fined
Carried out electrical work but not being a registered electrical worker/contractor	10	Fined
Sub-total	297	
<u>Disciplinary Action</u>		
Failed to comply with the statutory requirements when carrying out electrical work	2	Reprimanded
	1	Fined
Sub-total	3	
Total	300	

Signature _____

Name in block letters _____ Roger S.H.LAI

Post Title _____ Director of Electrical and
Mechanical Services

Date _____ 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)023

Head : 42 Electrical and Mechanical Services Department

Question Serial No.

0796

Subhead :

Programme : (1) Energy supply ; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

One of the matters requiring special attention is that the department will “study the implementation of cable colour change for electricity supply systems in Hong Kong”. What is the estimated expenditure for the study?

Asked by : Hon. LI Fung-ying.

Reply :

We have set up a working group to study with the trade and industry the implementation of cable colour change for electricity supply systems in Hong Kong. Resources required for supporting the working group have been included in the overall provisions for Head 42 : Electrical and Mechanical Services Department Programme (1) Energy supply; electrical, gas and nuclear safety and cannot be separately itemised.

Signature _____

Name in block letters _____ Roger S.H.LAI

Post Title _____ Director of Electrical and
Mechanical Services

Date _____ 6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)024

Question Serial No.

0797

Head : 42 Electrical and Mechanical Services Department

Subhead :

Programme : (2) Mechanical engineering installations safety

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for Economic Development and Labour

Question :

The estimated figure for inspection of amusement rides is 2 350 in 2005. Does this figure refer to the number of rides or inspections? How many inspections are related to the Disneyland which will open in September?

Asked by : Hon. LI Fung-ying

Reply :

The estimated figure of 2 350 for inspection of amusement rides in 2005 refers to the number of different types of inspections, including pre-operation inspections and subsequent surprise checks. Among these, there will be about 320 inspections which are related to the amusement rides in the Hong Kong Disneyland.

Signature _____

Name in block letters _____ Roger S. H. LAI

Post Title _____ Director of Electrical and
Mechanical Services

Date _____ 7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)025

Question Serial No.

1739

Head : 42 Electrical and Mechanical Services Department

Subhead :

Programme : (1) Energy supply; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Directors of Bureaux : Secretary for Economic Development and Labour
Secretary for the Environment, Transport and Works
Secretary for Security

Question :

Regarding Programme (1), the estimated provision for 2005-06 is about \$9.7 million (9.1%) lower than the provision for 2004-05. Please state the items which will achieve savings, the amounts saved and how the reduction of provision will affect the overall operation. Also, how will the department maintain the quality of services for Programme (1) with reduced provision?

Asked by : Hon. WONG Kwok-hing

Reply :

The provision for 2005-06 for Programme (1) is lower than the revised estimate for 2004-05 by about \$9.7M (9.1%). The major items that contribute to the savings are as follows -

Item	\$million
Reduced cash flow requirements of non-recurrent projects	5.2
Full-year effect of the 2005 civil service pay cut	2.2
Savings in departmental expenses	1.2
Savings arising from deletion of three posts (two posts at inspector level were deleted on 31.3.2005)	1.1
Total	9.7

The Department will implement a number of measures, such as work re-prioritisation, streamlining of work processes and procedures, more economical use of resources and computerisation. The reduction in provision will not therefore affect the quality of services provided under Programme (1).

Signature	_____
Name in block letters	Roger S. H. LAI
	Director of Electrical and
Post Title	Mechanical Services
Date	7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)026

Head : 100 Marine Department Subhead:

Question Serial No.

Programme : (1) Infrastructure

0058

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

The provision for 2005-06 under Programme (1) will increase by \$6.0 million for the creation of seven posts which will be transferred from the Office of the Government Chief Information Officer (OGCIO) for setting up the Information Technology Management Unit (ITMU). What is the scope of work of the ITMU in the Marine Department (MD)? Why are officers posted from the OGCIO instead of recruiting new staff?

Asked by : Hon. KWONG Chi-kin

Reply :

The ITMU of the MD is responsible for information technology (IT) planning, coordination and implementation. It also provides day-to-day support and maintenance services for MD's IT systems.

Although the seven Analyst / Programmer grade staff in question are under the establishment of the OGCIO, they have always been providing service to MD. In 2005-06, these staff will be transferred from the establishment of OGCIO to MD. This only reflects a change in the establishment, and there is no need to recruit new staff.

Signature _____

Name in block letters S.Y. TSUI

Post Title Director of Marine

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)027

Head : 100 Marine Department Subhead :

Question Serial No.

Programme : (2) Port Services

0628

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

Given the growing number of marine accidents in the Hong Kong waters in recent years, has the Administration increased funding on this to reduce the number of marine accidents? If yes, please give details of the funding. If not, what are the reasons for not increasing the funding?

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

In 2004, there were 450 860 vessel arrivals and departures in Hong Kong. A total of 388 marine accidents occurred in the waters of Hong Kong, which was broadly comparable with the accident figures in the past few years. To enhance navigational safety, the Marine Department will continue to prosecute speeding vessels and vessels which fail to comply with navigational rules by taking targeted actions in all major fairways and locations with heavy traffic. We will also organise seminars for the operators, masters and crew of both locally licensed and Mainland-registered vessels to enhance their awareness of navigational safety. These seminars will cover safe navigation, safe speed, compliance with the International Regulations for Preventing Collisions at Sea and accident prevention. We will use existing resources to implement the above measures.

Signature _____

Name in block letters _____ S.Y. TSUI _____

Post Title _____ Director of Marine _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)029

Head : 100 Marine Department Subhead (No. & title) :

Question Serial No.

0659

Programme : (2) Port Services

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

As given in the Analysis of Financial and Staffing Provision, the anticipated establishment and operation of a cross-boundary ferry terminal at Tuen Mun in 2005-06 will involve the creation of 9 posts. Are these posts filled by new recruits or staff transferred from other departments? Why 12 posts will be deleted in 2005-06 and what are they? Will the reduction in manpower affect port services?

Asked by : Hon. WONG Ting-kwong

Reply :

Nine posts will be created for the operation of the Tuen Mun Cross-boundary Ferry Terminal. They include one Assistant Marine Controller, three Marine Inspector I and five Marine Inspector II posts. These posts will be filled by existing staff of the Marine Department (MD) through internal redeployment. The additional expense for the creation of posts will be met by redeployment of resources, part of which will be offset by the deletion of 12 posts, including one Marine Officer, one Cartographer/Assistant Cartographer, one Assistant Marine Controller, eight Marine Inspector II and one Assistant Clerical Officer posts. The deletions will be made possible through re-engineering and streamlining of MD's work procedures without affecting port services currently provided by the Department.

Signature _____

Name in block letters _____ S.Y. TSUI _____

Post Title _____ Director of Marine _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)030

Head : 100 Marine Department

Subhead :

Question Serial No.

0787

Programme : (3) Local Services

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

Will Marine Department (MD) allocate resources in 2005-06 to increase the number of inspections of Mainland vessels? If so, please provide the details?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

The MD carries out Port State Control (PSC) inspections on vessels visiting Hong Kong, including ocean-going vessels and Mainland river trade vessels. In 2005-06, through internal redeployment of resources, the MD will increase the number of PSC inspections on Mainland river trade vessels from about 50 vessels in the previous financial year to at least 80 vessels.

Signature _____

Name in block letters _____ S.Y. TSUI

Post Title _____ Director of Marine

Date _____ 7 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)031

Question Serial No.

0866

Head : 100 Marine Department

Subhead : 700 General non-recurrent

Programme : (4) Services to Ships

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much had been put into the Sea-going Training Incentive Scheme in 2004-05? How many cadets had been trained and how many of them could join the industry on completion of their training? What is the anticipated demand for these specially trained cadets in the market this year? Further, what are the estimates of expenditure for this Scheme in 2005-06? What is the projection, if any, on the effectiveness of the Scheme in 2005-06?

Asked by : Hon. CHAN Kam-lam

Reply :

Since the launch of the Sea-going Training Incentive Scheme in July 2004, a total of 29 participating cadets joined ships and received training under the Scheme. The projected payment for the Scheme in 2004-05 is \$53,500, and the estimated expenditure for the Scheme in 2005-06 is \$1.5 m. Of the 29 participating cadets, two have completed the cadetship training period. They are eligible and are now preparing for the Class 3 Marine Engineer Officer Certificate of Competency Examination.

According to a manpower survey completed by the Vocational Training Council recently, there is an annual demand for 40 shipping professionals with sea-going experience.

The Marine Department (MD) reviewed the effectiveness of the Sea-going Training Incentive Scheme in January 2005. The total number of participating cadets joining ships in the first six months after launching of the Scheme is 29, which represents a 70% increase compared with the full-year total of 17 in 2003. It shows that the Scheme is useful in attracting more local youngsters to take up sea-going training. MD will review the Scheme every six months.

Signature _____

Name in block letters _____ S.Y. TSUI

Post Title _____ Director of Marine

Date _____ 4.4.2005

Examination of Estimates of Expenditure 2005-06
CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION

Reply Serial No.

EDLB(ED)032

Question Serial No.

1586

Head : 100 Marine Department Subhead :

Programme : (2) Port Services

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2005-06, while 12 posts will be deleted, another nine posts will have to be created for the establishment and operation of the Tuen Mun Cross-boundary Ferry Terminal. Please list out the grade, the rank, the length of service and the terms of appointment of the staff of these posts to be created and deleted. How will the Department delete the posts?

Asked by : Hon. LI Fung-ying

Reply :

Nine posts will be created for the operation of the Tuen Mun Cross-boundary Ferry Terminal. They include one Assistant Marine Controller, three Marine Inspector I and five Marine Inspector II posts. These posts will be filled by existing staff of the Marine Department (MD) through internal redeployment, and the concerned staff will continue to serve on existing terms of appointment. Through re-engineering and streamlining of MD's work procedures, 12 posts are planned for deletion in 2005-06. They include one Marine Officer, one Cartographer/Assistant Cartographer, one Assistant Marine Controller, eight Marine Inspector II and one Assistant Clerical Officer posts.

Signature _____

Name in block letters S.Y. TSUI

Post Title Director of Marine

Date 7 April 2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)033

Question Serial No.

1638

Head : 100 Marine Department Subhead : 000 Operational expenses

Programme :

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please account for the marked increase in (1) Mandatory Provident Fund contribution, (2) Civil Service Provident Fund contribution and (3) Disturbance allowance, given that one post will be deleted from the establishment during the coming year.

Asked by : Hon. CHAN Kam-lam

Reply :

- (1) The increase in the provision for Mandatory Provident Fund contribution is necessary for meeting expenditure on staff employed by the Marine Department on new agreement terms.

- (2) Some staff currently serving on new agreement terms will be transferred to new permanent terms in 2005-06 and become eligible for Civil Service Provident Fund upon their retirement. Additional provision is therefore required for their Civil Service Provident Fund contribution.

- (3) An officer who is first posted outside Hong Kong or returns to Hong Kong on completion of his tour outside Hong Kong is eligible for disturbance allowance. In anticipation of the return of an officer currently posted to the Economic and Trade Office in London and the posting of another staff to fill the post in 2005-06, provision is made for the payment of disturbance allowance to the staff concerned.

Signature _____

Name in block letters _____ S.Y. TSUI _____

Post Title _____ Director of Marine _____

Date _____ 7 April 2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)034

Question Serial No.

1639

Head : 100 Marine Department Subhead : 000 Operational expenses

Programme :

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please account for the increase in expenses for Technical Services Agreement under "Departmental Expenses", which has risen from over \$24 million in 2004-05 to nearly \$30 million in 2005-06.

Asked by : Hon. CHAN Kam-lam

Reply :

The 2005-06 estimate for "Technical Services Agreement" is higher than that in the revised estimate 2004-05 for the following reasons -

- (a) An amount of \$3.3 m paid out to the service provider in 2003-04 was subsequently offset from the payment due in 2004-05. As a result, the revised estimate in 2004-05 was lower.
- (b) Since the Vessel Traffic System was newly upgraded, the expenditure estimate for replacement spares and equipment in 2004-05 was lower than average. Additional provision is required to cater for the expected increase in expenditure in this aspect in 2005-06.
- (c) In preparing the revised estimate for 2004-05, the provision for contingency purchases of spares and equipment was adjusted downward on the basis of latest expenditure position. No such adjustment is made to the provision for contingency purchases for 2005-06 at this stage.

Signature _____

Name in block letters _____ S.Y. TSUI

Post Title _____ Director of Marine

Date _____ 7 April 2005

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)035

Question Serial No.

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

0001

Subhead : 000 Operational expenses

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Branch indicates that in 2005-06, they will further improve airport services and enhance the airport's connectivity and competitiveness. What are the initiatives concerned and the expenditure incurred? Will the addition of new airline routes be included in the initiatives? If yes, what are the numbers of new airline routes and the districts covered?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Government and the Airport Authority (AA) will continue to work together to implement various measures to enhance the facilities and services of the Hong Kong International Airport (HKIA). In respect of passenger services, the AA has commenced construction of the SkyPlaza, which will be connected with the passenger terminal building, to further enhance the airport's passenger handling capacity by providing additional check-in counters, transport interchange facilities and retail shops, and will construct five taxi-in/taxi-out aircraft parking stands for passenger aircraft for more speedy turnaround. In respect of cargo services, the AA is constructing four more freighter parking stands, bringing the total number of freighter stands to 25. Construction of Terminal 2 of the Asia Airfreight Terminal at the HKIA is in progress and will add 910 000 tonnes of cargo handling capacity per annum upon completion in 2006.

The AA is also expanding HKIA's passenger and cargo catchment area into the Pearl River Delta (PRD). For passengers, in addition to the cross-boundary coach services between the HKIA and over 40 PRD destinations, the network of high speed cross-boundary ferry services between the HKIA and PRD ports has been further expanded in 2004 to serve a total of six ports, which provide fast and convenient intermodal connection for passengers transiting at the HKIA. For cargoes, the HKIA's

Marine Cargo Terminal is providing efficient air – sea connection services to 17 ports in PRD to enable efficient movement of cargo to/from PRD via HKIA.

With the exception of the cost of fitting-out works for supporting customs, immigration and quarantine services to be funded by the Government under Capital Works Reserve Fund Head 703 – Buildings, the aforesaid initiatives will be undertaken and financed by the AA either on its own or together with its business partners under prudent commercial principles. There are no resource implications for the Government.

To expand HKIA's aviation network, the Government is responsible for air services negotiations to enable both local and overseas airlines to expand their network of services into and out of Hong Kong. This is complemented by the AA's marketing activities which promote the high quality services and market potential of the HKIA to airlines all over the world. But it remains the commercial decisions of airlines whether to introduce new routes or add service frequencies. In 2004-05, the Government signed Air Services Agreements with four new aviation partners, and reached agreement with 10 aviation partners to expand traffic rights. Airlines introduced a total of 52 new routes with 374 additional weekly flights connecting the HKIA to the rest of the world, the majority of which operate to and from the Mainland and Asia-Pacific region. In 2005-06, the Government will continue to work with our aviation partners to conclude new air services agreements and to expand traffic rights under existing agreements or arrangements to enable more airlines to increase their services readily in response to market demand. The AA is offering landing charge rebates through the New Destination Incentive Arrangement to encourage airlines to develop new routes. The actual number of new routes and areas served would ultimately be determined by market demand and the commercial decisions of individual airlines. The expenses under Head 145 in 2005-06 for undertaking the work in this area are around \$4 m. The AA is responsible for financing its own activities and there are no resource implications for the Government.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 7.4.2005

Reply Serial No.

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)036

Head : Head 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0060

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Toy industry has all along been one of Hong Kong's major industries. The Administration is currently revising the safety requirements and standards stipulated in the Toys and Children's Products Safety Ordinance. What is the expenditure involved in the revision? Please detail the scope of the revised provisions and their impact on the toy industry. Will the stakeholders be consulted in the process?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Our proposed amendments to the Toys and Children's Products Safety Ordinance (TCPSO) which involve updating the safety standards in the TCPSO and simplifying the updating procedures, do not entail additional expenditure.

The TCPSO provides that no person shall manufacture, import or supply a toy unless the toy, including its packaging, complies with each and every applicable requirement contained in one of the following three sets of safety standards:

- (a) International Voluntary Toy Safety Standard (IVTSS) established by the International Committee of Toy Industries;
- (b) European Standard EN71 established by the European Committee for Standardization; and
- (c) ASTM F963 established by the American Society for Testing and Materials.

To ensure that the relevant requirements cater to product changes arising from technological developments or the latest information pertaining to safety (such as accident data and scientific reports etc), the above standards institutes revise, withdraw or replace their standards from time to time. We will also amend the TCPSO from time to time to apply the updated standards to Hong Kong.

The safety standards for toys in the TCPSO were last updated in 1997. Since then,

- (i) the International Committee of Toy Industries had decided to withdraw the IVTSS on the ground that it had been superseded by country-specific toys standards;
- (ii) the International Organization for Standardization (ISO), a worldwide federation of national standards bodies from over 140 countries, had established ISO 8124 as a safety standard for toys, which has been widely adopted by manufacturers in the world;
- (iii) the European Committee for Standardization had made a number of amendments to the EN71 series of safety standard for toys; and
- (iv) the American Society for Testing and Materials had changed its name to ASTM International and introduced minor editorial changes to the existing version of its standard.

We intend to amend the TCPSO to replace the already withdrawn IVTSS with the ISO 8124 series and also reflect the latest developments at (iii) and (iv) above. We have consulted the trade on our proposed amendments.

The Hong Kong Toys Council (HKTC) has suggested that we clarify the definition of “applicable” in the relevant provisions to make this definition explicitly clear. This is because the provisions state that where one or two of the three sets of safety standards for toys stipulated therein contain no applicable requirements for a particular toy, the toy must comply with the requirement contained in the remaining set with applicable requirements. Hence, we intend to amend the relevant provisions to address the HKTC’s concern on the meaning of “applicable”.

Separately, under the existing arrangement, safety standards for toys are set out in the main Ordinance and amendments can only be made by means of an Amendment Bill. As toys safety standards are updated frequently, we will propose amendments to the main ordinance so that we could adopt simpler procedures to amend the relevant safety standards in the TCPSO. This will speed up the process of applying the latest stipulations of the respective standards institutes to Hong Kong.

We consulted the trade and the Legislative Council Panel on Economic Services in May 2003 on the proposed amendments with regard to toys. The response was generally supportive. We will consult the trade and the Panel again before the detailed proposals in the Amendment Bill are introduced into the Legislative Council.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)037

Question Serial No.

0115

Head: 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The number of consumer enquiries received by the Consumer Council has increased. However, the Council fails to achieve some of the performance targets and even has to adjust certain ones. Are there any plans to increase manpower or draw up other measures so as to raise the Council's service standards? What are the resources involved in those plans?

Asked by : Hon. TAM Heung-man

Reply :

The Consumer Council (CC) continues its efforts to enhance consumer awareness and promote consumer education. In light of the increase in the number of consumer complaints and enquiries in recent years, the CC has made minor adjustment to the performance targets for the following two services -

- (1) for complex written enquiry, the target for issuing preliminary reply will be changed from five to six working days; and
- (2) for complaints, the target for issuing written reply or reporting progress will be changed from 24 to 27 working days.

Items (1) and (2) refer to the target for issuing written replies. In practice, the CC processes the complaints and enquiries expeditiously as soon as they are received. The minor adjustment to the targets for issuing written replies should not therefore have any substantive impact on the CC's work in protecting consumer interests.

For telephone enquiries or complaints, hitherto the CC answered telephone calls within one minute, although the response time during peak hours might have been longer. With the installation and operation of an upgraded interactive telephone answering system in February 2005, nearly all telephone calls can be attended to within one minute.

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)038

Question Serial No.

0120

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Hong Kong Tourism Board (HKTB) estimates that both visitor arrivals and their overall spending will increase by 7% in 2005-06. Yet the Board seeks to increase the provision by more than 30%. Please explain the reasons for the increase and how the intended benefits can be achieved.

Asked by : Hon. TAM Heung-man

Reply :

In 2005-06, a series of major tourism projects will come into operation. They include the Hong Kong Disneyland, Hong Kong Wetland Park and Tung Chung Cable Car System. These new projects will turn a new page for Hong Kong tourism and greatly enhance the appeal of Hong Kong as a tourist destination. We must capitalise on this new opportunity in 2006 to reinforce Hong Kong's position as the premier tourist destination in Asia and attract more visitors. We will take this forward through a series of global marketing and strategic promotion campaigns to be conducted by the HKTB to which funds of \$440 million have been earmarked for such campaigns to be carried out in 2005-06 and 2006-07.

The global marketing campaigns include a themed global publicity campaign entitled "2006 Discover Hong Kong Year", which comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media; and a publicity programme targeted at family and business visitors with new tourism products and enhanced mega events to stimulate growth in tourist arrivals and tourism spending.

It is expected that these campaigns will bring about 1.2 million additional visitor arrivals, 2 million additional nights of extended stay and \$10 billion economic benefit in the next two years. This is a value-for-money campaign which is equivalent to a \$20 return on every dollar of government funding. The impact of these campaigns will sustain beyond 2006.

In addition, to strengthen Hong Kong's reputation as the "Shopping Paradise" and to enhance consumer protection to visitors, an additional funding of \$30 million has also been earmarked for the HKTB to enhance the Quality Tourism Services (QTS) Scheme in the coming two years. The HKTB aims to increase the number of accredited merchant outlets by 20% to 6 000 by the end of 2006 to provide more quality choices for visitors, expand the scope of QTS Scheme to

cover more tourism-related sectors, and increase visitors' awareness of the Scheme by stepping up targeted promotion and publicity, especially in the key markets, such as the Mainland and North Asia.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)039

Head : 145 Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)
22 Agriculture, Fisheries and Conservation Department
28 Civil Aviation Department
33 Civil Engineering and Development Department
42 Electrical and Mechanical Services Department
100 Marine Department

Question Serial No.

0128

Programme: (2) Air and Sea Communications and Logistics Development
(3) Posts, Power, Competition Policy and Consumer Protection
(4) Public Safety
(5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding research studies for policy making and assessment conducted by a consultant commissioned by your Bureau, please provide details in the following format:

- (1) Please provide the following details on the consultancy studies for which financial provision has been allocated in 2004-05:

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Action taken by the Administration to follow up the study reports and the progress made (if available)	Whether study reports completed are publicised; if yes, their channels and if not, the reasons.

- (2) Has financial provision been allocated for conducting consultancy studies in 2005–06?
If yes, please provide the following details :

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Whether study reports scheduled for completion in 2005–06 will be publicised; if yes, their channels and if not, the reasons.

Asked by : Hon. LEUNG Kwok-hung

Reply :

- (1) Details on the consultancy studies for which financial provision has been allocated in 2004–05 are as follows -

Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)

Subhead 700 General non-recurrent

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Action taken by the Administration to follow up the study reports and the progress made (if available)	Whether study reports completed are publicised; if yes, their channels and if not, the reasons.
Mercado Solutions Associates Ltd.	Survey on opinions of institutional establishments on electricity supply in Hong Kong (Item 017)	140,000	Completed	Findings to be considered in the context of the electricity market review.	Findings are available on the website of the Economic Development and Labour Bureau.
Urbis Limited	Consultancy Study on the Development of Spa and Resort Facilities (Item 423)	About 1,150,000	Underway	Will consider the recommendations and follow up action on completion of the consultancy.	The main findings will be disclosed to the public through appropriate channels.
Bermello, Ajamil & Partners, Inc.	Study on Cruise Terminal Facilities Development	About 1,009,000	Underway	Will consider the recommendations and follow up action on completion of the	The main findings will be disclosed to the public through

	for Hong Kong (Item 428)			consultancy.	appropriate channels.
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Head 28 Civil Aviation Department
Subhead 700 General non-recurrent

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Action taken by the Administration to follow up the study reports and the progress made (if available)	Whether study reports completed are publicised; if yes, their channels and if not, the reasons.
L&O Architect	Technical Assessment Study for the Proposed Development of a Domestic Heliport in Sheung Wan (Item 516)	About 1,600,000	Underway (Preliminary study findings available. Study report being finalised.)	Based on the Consultant's preliminary study findings, the Administration consulted Legislative Council, the Central & Western District Council and the Harbour-front Enhancement Committee on the proposed development of a domestic heliport in Sheung Wan between December 2004 and February 2005. The Administration is now carefully considering the public views received.	Study report is being finalised. When completed, the Executive Summary will be made available to members of the public on request and the full report will be made available for public inspection at the Civil Aviation Department.

Maunsell Environmental Management Consultants Ltd	Environmental Impact Assessment Study for the Expansion of Cross-boundary Heliport at Macau Ferry Terminal (Item 421)	About 570,000	Underway	Will submit the study report to the Director of Environmental Protection for approval under the Environmental Impact Assessment Ordinance after its completion.	The environmental impact assessment report will be made available for public inspection in accordance with the Environmental Impact Assessment Ordinance.
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Head 42 Electrical and Mechanical Services Department
Subhead 700 General non-recurrent

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Action taken by the Administration to follow up the study reports and the progress made (if available)	Whether study reports completed are publicised; if yes, their channels and if not, the reasons.
Nexant, Inc.	Detailed assessment of matters relating to supply reliability, maximum demand, engineering operations to support regular monitoring of the technical performance and to facilitate financial monitoring of the two power companies (Item 717)	44,000*	Completed	Findings had been taken into account in regular monitoring of the performance of the two power companies.	Reports had not been released as they contained confidential commercial information of the two power companies.

Nexant, Inc.	Detailed assessment of the technical and financial aspects of the two power companies' Financial Plans for 2004-2008 (Item 913)	About 3,652,000	Underway	Findings will be considered in examining the two power companies' Financial Plans for 2004-2008.	Reports will not be released since they contain confidential commercial information of the two power companies.
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* Part of the costs under this item have been covered by Item 913 as the reviews of the two power companies' Financial Plans for 2004-2008 have already covered the regular monitoring work in 2004-05.

Head 100 Marine Department
Subhead 000 Operational expenses

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Action taken by the Administration to follow up the study reports and the progress made (if available)	Whether study reports completed are publicised; if yes, their channels and if not, the reasons.
Curtin University of Technology	Develop an Underkeel Clearance System	About 510,000	Underway	Not applicable	Not yet completed

(2) Details on the consultancy studies for which financial provision has been allocated in 2005-06 are as follows -

Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)

Subhead 700 General non-recurrent

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Whether study reports scheduled for completion in 2005-06 will be publicised; if yes, their channels and if not, the reasons.
Urbis Limited	Consultancy Study on the Development of Spa and Resort Facilities (Item 423)	About 1,150,000	Underway	The main findings will be disclosed to the public through appropriate channels.
Bermello, Ajamil & Partners, Inc.	Study on Cruise Terminal Facilities Development for Hong Kong (Item 428)	About 1,009,000	Underway	The main findings will be disclosed to the public through appropriate channels.
To be determined	To assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices (Item 014)	To be determined	Planning	We will report the study findings to the Legislative Council.
To be determined	Update the Port Cargo Forecast to work out the optimal timing for the construction of Container Terminal 10 (CT10) (Item 019)	To be determined	Planning	The study will not be completed in 2005-06.

To be determined	Conduct an ecology study on Northwest Lantau to further assess the environmental suitability of this location for development of CT10 (Item 019)	To be determined	Planning	The study will not be completed in 2005-06.
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Head 28 Civil Aviation Department
Subhead 700 General non-recurrent

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Whether study reports scheduled for completion in 2005-06 will be publicised; if yes, their channels and if not, the reasons.
L&O Architect	Technical Assessment Study for the Proposed Development of a Domestic Heliport in Sheung Wan (Item 516)	About 1,600,000	Underway (Preliminary study findings available. Study report being finalised.)	Study report is being finalised. When completed, the Executive Summary will be made available to members of the public on request and the full report will be made available for public inspection at the Civil Aviation Department.
Maunsell Environmental Management Consultants Ltd	Environmental Impact Assessment Study for the Expansion of Cross-boundary Heliport at Macau Ferry Terminal (Item 421)	About 570,000	Underway	The environmental impact assessment report will be made available for public inspection in accordance with the Environmental Impact

				Assessment Ordinance.
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Head 42 Electrical and Mechanical Services Department
Subhead 700 General non-recurrent

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Whether study reports scheduled for completion in 2005–06 will be publicised; if yes, their channels and if not, the reasons.
To be determined	Detailed assessment of matters relating to supply reliability, maximum demand, engineering operations to support regular monitoring of the technical performance and to facilitate financial monitoring of the two power companies (Item 717)	About 765,000	Planning	Reports will not be released since they will contain confidential commercial information of the two power companies.

Head 100 Marine Department
Subhead 000 Operational expenses

Name of Consultant (if available)	Description	Consultancy fee (\$)	Progress of Study (planning/ underway/ completed)	Whether study reports scheduled for completion in 2005–06 will be publicised; if yes, their channels and if not, the reasons.
Curtin University of Technology	Develop an Underkeel Clearance System	About 510,000	Underway The Study is scheduled to complete in May 2005	The Study findings will be presented to and discussed in the relevant consultative committees of the Marine Department (MD) and will be publicised through

				uploading onto MD's website.
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Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)040

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0191

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

With regard to the revised estimate for 2004-05, what specific areas were covered in the independent study of the competition in local automobile fuel market and what is the estimated expenditure (for this year)?

Asked by : Hon. LAU Wai-hing, Emily

Reply :

The consultancy study will assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong.

We have reserved \$800,000 in 2005-06 for consultancy studies on competition-related issues including that on the local auto-fuel market.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)041

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0267

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Competition Policy Advisory Group (COMPAG) is commissioning an independent consultant to investigate the competition aspects in the local retail fuel market, with a view to identifying whether there was market monopoly by oil companies and determining whether it was necessary to promote competition in the fuel market through legislation or other means. How much is the consultancy fee involved? What is the latest progress? Will the COMPAG consider appointing the relevant departments of local universities to research on the topic in order to ensure that the investigation is carried out in an independent manner and the report is objective?

Asked by : Hon. LI Wah-ming, Fred

Reply :

We have started work on recruiting a consultant to conduct the study. The latest progress is as follows -

- we invited in January this year, expression of interest (EOI) from about 100 local and overseas consultancy firms including the relevant departments of local universities (but none of them responded);
- we have invited the short-listed firms to submit detailed proposals by 11 April 2005; and
- The study is expected to start in mid 2005 and be completed in the latter half of the year.

As the shortlisted consultants have yet to submit their detailed proposals, we have no details of the consultancy fee yet.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)042

Question Serial No.

0268

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What is the estimated expenditure for the Competition Policy Advisory Group (COMPAG) in 2005-06? When the Budget was released, the Administration announced that the COMPAG would appoint an independent committee (the Committee) to review existing competition policy and the Group's composition, terms of reference and operations. Please give details on the composition and the formulation of the independent committee, the expenditure involved, the issues to be reviewed and the timetable.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The resources required by COMPAG and the Committee to be appointed by COMPAG have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. We have not allocated additional resources to Programme (3) for undertaking these tasks in 2005-06. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700 General non-recurrent Items 014 and 015 –

- Item 014 is for engaging consultants to conduct specific studies or produce educational materials. The estimated expenditure in 2005-06 is \$800,000.
- Item 015 is for maintaining and updating the COMPAG website, and for producing publicity materials. The estimated expenditure in 2005-06 is \$100,000.

The Committee to be appointed by COMPAG will be chaired by a non-official, with members drawn from different sectors of the community. All non-official members, appointed on ad personam basis, will be selected on the merit of the individual concerned, taking into account the person's ability, expertise, experience, integrity and commitment to public service. The review will cover the Government's existing competition policy and COMPAG's composition, terms of reference and operations. The Committee will be set up within this quarter and is expected to complete its review in 12 months' time. We will inform the Legislative Council and the public of the outcome of the review.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)043

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0269

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The public consultation on the construction of a logistics park on North Lantau Island was completed in February this year. Would the Administration inform this Council of the consultation results and the expenditure involved if the project is implemented?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

In December 2004, we sought industry views on the operational characteristics and planning parameters of the Lantau Logistics Park. By the end of February 2005, we have received 35 responses. The majority of them expressed support for the planning parameters of the Park and activities to be undertaken in it as proposed in the Expression of Interest document. Some also expressed concerns over the financing and operating cost, implementation programme, institutional set-up, and supporting transport infrastructure of the project. We are analysing the views received to ensure that the Lantau Logistics Park will meet the practical needs of the industry. We have already commissioned the feasibility study for the Park, which covers various (including environmental and traffic) impact assessments to fulfil the statutory requirements for the subsequent zoning and reclamation of the site. The study costs around \$7.2 m. As the feasibility study is still underway, we have no estimate of the full infrastructure cost for the project yet.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)044

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0270

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is mentioned that the Administration will monitor the development of natural gas and renewable energy having regard to potential development for the Hong Kong gas market. What is the expenditure involved? Would the Administration provide the specific programmes and objectives (such as improvement of air quality) of the development of natural gas and renewable energy?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The availability of reliable, secure and affordable supplies of natural gas is the key to the introduction of natural gas for use at the household level. Until we can ascertain that the above pre-requisite can be attained, we will continue to monitor the development of natural gas supply sources close to Hong Kong and commission detailed studies as appropriate.

The Environment, Transport and Works Bureau (ETWB) will formulate plans for the development of renewable energy in Hong Kong, having regard to relevant air quality improvement objectives. In this regard, we will work with the ETWB to consider the role of renewable energy in the future electricity market after 2008.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)045

Question Serial No.

0271

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead : 000 Operational expenses

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Administration indicates that it will work to improve efficiency in existing port operations in 2005-06. Please specify the means and the manpower and departmental expenses to be involved.

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

In 2005-06, to enhance port operation efficiency and competitiveness, we will improve boundary crossing to facilitate truck movements, and strengthen cooperation with the Guangdong authorities to reduce cross-boundary trucking cost to narrow the cost differential between Hong Kong and neighbouring ports. On physical infrastructure, the Government has completed the new boundary bridge between Lok Ma Chau and Huangang control points. We are also constructing the Hong Kong-Shenzhen Western Corridor and pursuing the Hong Kong-Zhuhai-Macao Bridge as a priority project. In parallel, we are analysing the views expressed by various sectors of the community on the Study on Hong Kong Port - Master Plan 2020. We will further consult the stakeholders in formulating the programme for implementing the recommendations. The above-mentioned cross-boundary infrastructure projects are dealt with by the concerned bureaux and departments. We will continue to use existing resources to pursue the other issues above.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)046

Question Serial No.

0272

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Administration mentioned that it would assist the Competition Policy Advisory Group in reviewing policies and practices to ascertain the extent to which competition could be enhanced in different sectors in 2005-06. Which sectors will be reviewed first? What is the scope of the review? What is the estimated expenditure involved?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

In 2005-06, the Competition Policy Advisory Group has authorised us to commission an independent consultant to assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc. of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether, if so what, measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong. \$800,000 has been reserved for consultancy studies on competition issues including that on the local auto-fuel market.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)047

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0273

Subhead :

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The number of tests conducted by the Consumer Council annually is around 40 on average. What is the scope of tests scheduled for 2005-06? Will the Council conduct more tests to safeguard consumer safety? If more tests will be conducted, has the Administration estimated the amount of additional provision for the Council?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

To enhance consumer's knowledge of the relevant products and facilitate consumer choice, the Consumer Council (CC) conducts tests on various kinds of major consumer goods. These tests cover safety, performance, ease of use, endurance and environmental impact etc of the products concerned. The CC reviews on a regular basis the list of the products to be tested, having regard to latest market demands and information on consumer complaints and enquiries. On current planning, the CC intends to conduct test on food (e.g. salts), clothing (e.g. pajamas), personal care products (e.g. toilet tissues), telecommunication equipment (e.g. mobile phones), audio-visual products (e.g. digital cameras), electrical appliances (e.g. oil-filled space heaters), and automobile accessories (e.g. child car seats) in 2005-06. The CC has no plan to increase the number of tests.

As far as product safety is concerned, apart from the tests conducted by the CC, relevant government departments also conduct spot checks and enforcement actions pursuant to provisions in relevant ordinance. For example, the Food and Environmental Hygiene Department and the Customs and Excise Department collect samples of food products and consumer goods respectively for testing to ensure compliance with the relevant legislation.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)048

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0274

Subhead :

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

With the increasing volume of Mainland-Hong Kong transportation, the Administration indicates that it will enhance collaboration with the Guangdong authorities in order to reduce cross-boundary trucking cost in 2005-06. What is the schedule of implementation of the measures in enhancing such collaboration? What is the estimated percentage of decrease in transportation cost after implementation? What are the related expenses by the Government?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Key issues affecting cross-boundary trucking cost include the "4-up-4-down" and "1-truck-1-driver" rules, the indirect truck licensing scheme and inland customs services. We have pursued the above issues with the Mainland Customs General Administration and relevant authorities in Guangdong (GD), and have achieved initial results.

The Mainland Customs has relaxed the "4-up-4-down" rule starting from 1 January 2005.

On the "1-truck-1-driver" rule, the GD authorities have agreed to allow cross-boundary container trucks to apply for reserve drivers in addition to the assigned drivers. They will implement the new measure when formal approval is granted by the provincial government.

On the regulation of cross-boundary trucking enterprises, we have discussed the industry's proposals regarding the "licence quota scheme" and related arrangements with the GD side. As an initial response, the GD side has agreed to simplify the procedures so that the licence period will be extended from three to five years. The average annual licence fee (approximately RMB 33,000) will remain unchanged. The GD side will implement the new measure when formal approval is granted by the provincial government.

On improvements to customs services, the GD side has agreed to extend customs operating hours according to cargo volume and practical needs of different regions. The operating hours of a selected control point at Jiangmen will be extended to midnight on a trial basis.

In 2005-06, we will continue to discuss with the GD authorities measures to reduce cross-boundary trucking cost through further improvements on the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks. The effect on trucking cost will depend on the outcome of discussion between the two sides, as well as the extent to which the industry will adjust its mode of operation to take full advantage of the flexibility under the new arrangements. The Economic Development and Labour Bureau has not allocated additional funding in 2005-06 for this task. We will continue to use existing resources to pursue the above issues.

Signature _____

Name in block
letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)049

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0275

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How many resources will the Government spend on the overseas publicity and promotion for major tourism projects, including the Hong Kong Disneyland, Hong Kong Wetland Park, Tung Chung Cable Car System and so on? What is the ratio of resources for the publicity campaigns to be launched overseas and in the Mainland?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Hong Kong Tourism Board (HKTB) is the statutory body responsible for promoting Hong Kong as a tourist destination. With the completion and opening of various major tourism projects in Hong Kong in 2005-06, the Government will leverage on these new projects and capitalise on our competitive edge to launch, through the HKTB, the global marketing campaign and strategic promotion.

A new global marketing campaign under the theme of "2006 Discover Hong Kong Year" will be launched by the HKTB to promote a new image of Hong Kong with new major tourism projects. It will consist of a series of worldwide publicity and promotional activities, targeting consumers, the trade as well as the media. The campaign will cost about \$276 million for two years, with about 70% on overseas and Mainland promotion. The ratio of resources allocated directly to Mainland and other source markets is approximately 1:3.

Separately, \$7.7 million has been earmarked to organise joint visits with tourism trade to four key cities in the Mainland and Southeast Asia to introduce to the government officials, local tourism trade, media and business associations Hong Kong's latest tourism development and encourage two-way travel.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)050

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0276

Subheads :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much did the Government spend on the publicity and complementary measures for the Individual Visit Scheme last year in total, and also the cost for each individual visitor on average? What is the individual visitor per capita spending in Hong Kong?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

To ensure smooth implementation of the Individual Visit Scheme (IVS), the Tourism Commission (TC) has coordinated among government departments, including Security Bureau, Immigration Department, the Police, Transport Department and Department of Health as well as the trade to devise a series of measures to cope with the surge in visitor arrivals during the peak periods. These include early forecast of visitor arrivals, enhancing border clearance and transportation arrangement, and dissemination of information in respect of public health and consumer protection, etc. We also work with the hotel industry to disseminate through the internet forecasts on hotel occupancy so as to facilitate early planning by IVS visitors. In addition, TC maintains close liaison with provinces and cities under the IVS, in particular the Guangdong Provincial Tourism Administration. Both parties regularly meet before peak periods to exchange information on visitor projections and facilitative measures that enhance visitor flow. Coordination work in relation to promotion and public education for IVS visitors is part of TC's duties and is absorbed within TC's existing resources.

The Hong Kong Tourism Board has stepped up promotion in Mainland IVS cities to increase residents' awareness of the Scheme and to enhance dissemination of information about Hong Kong to help IVS visitors plan their itinerary. Such information includes immigration clearance in Hong Kong, accommodation, transportation and useful tips on shopping. In 2004, about \$ 4.8 million was spent on IVS-specific promotions. In the same year, 4.26 million IVS visitors were recorded, of which 3.08 million were overnight visitors and 1.18 million were same-day visitors. The average per capita spending of overnight and same-day IVS visitors were \$3,305 and \$1,644 respectively.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)051

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0277

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding Matters Requiring Special Attention in 2005-06 (i.e. paragraph 7), please give an account of :

- (a) the details and progress of the feasibility study on the development of the Lantau Logistics Park; and
- (b) the additional measures, in detail, to be taken to implement the recommendations of the Study on Hong Kong Port – Master Plan 2020 and the expenditure involved.

Asked by : Hon. LEE Wing-tat

Reply :

- (a) The feasibility study for the Lantau Logistics Park was commissioned in mid-February 2005, and is expected to be completed in 2005-06. The study covers various impact assessments, including environmental and traffic, in order to fulfil the statutory requirements for the future zoning and reclamation of the site.
- (b) In late November 2004, we conducted consultation on the draft Executive Summary of the Study on Hong Kong Port – Master Plan 2020 (HKP 2020 Study). Although the consultation period has closed on 28 February 2005, we remain open to views and suggestions. We will analyse the views expressed by various sectors of the community on the HKP 2020 Study, and further consult the stakeholders in formulating the programme for implementing the recommendations.

The HKP 2020 Study has identified two possible locations for the development of Container Terminal 10 (CT10), namely Northwest Lantau and Southwest Tsing Yi. Both sites have their pros and cons. No decision has been made on site selection for CT 10 at this stage. As the Study recommends, we will conduct an ecology study on the Northwest Lantau site to further assess its environmental suitability for constructing CT10. In parallel, we will update the Port Cargo Forecast to work out the optimal timing for constructing CT10. We will review the port expansion options when more data are available.

We will commission consultants to conduct the ecology study and update the Port Cargo Forecast. The expenditure involved has yet to be determined as the two studies are still under planning.

In addition, we are also actively pursuing measures to enhance Hong Kong's port competitiveness, including addressing the cost differential between Hong Kong and neighbouring ports. On Terminal Handling Charges (THC), we will continue to facilitate the dialogue between the relevant parties and trade organizations to enhance the transparency of the process for determining THC. On reduction of cross-boundary trucking cost, we have liaised with the industry and identified the key issues, which include the "4-up-4-down" and "1-truck-1-driver" rules, the indirect truck licensing scheme and inland customs services. We have pursued the above issues with the Mainland Customs General Administration and relevant authorities in Guangdong (GD), and have achieved initial results. We will continue to discuss with the GD authorities measures to reduce cross-boundary trucking cost through further improvements on the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks. We will continue to use existing resources to pursue the above issues.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)052

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0278

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What were the actual expenditure and the details of the work of the Competition Policy Advisory Group (COMPAG) in 2004-05? Regarding the work of reviewing policies and practices in 2005-06, what is the estimated expenditure of the COMPAG? Will that include the expenditure for the research work on the enactment of competition law?

Asked by : Hon. LEUNG Kwok-hung

Reply :

The resources required by the Competition Policy Advisory Group (COMPAG) have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700 General non-recurrent Items 014 and 015.

Item 014 is for engaging consultants to conduct specific studies or produce educational materials. To nurture awareness and promote understanding of anti-competitive practices among students and the youth, we worked with the Education and Manpower Bureau (EMB) in 2004-05 on the following-

- (i) briefed primary school principals and teachers, and teachers of the Economics and the Integrated Humanities (IH) courses on the Government's competition policy and competition concepts, and promoted competition concepts at schools;
- (ii) integrated competition concepts into the IH curriculum for senior secondary students (Form 4 and 5) since September 2004. Through discussions of

cases closely related to their daily lives (such as competition in the supermarket sector), we aim to enhance the students' awareness and knowledge of different kinds of anti-competitive practices, and to teach them to refrain from engaging in such practices; and

- (iii) commissioned the Hong Kong Education City (HKEC) to develop interactive games for senior primary (Primary 4 to 6) and junior secondary (Form 1 to 3) school students. The objectives are to nurture awareness and promote understanding of anti-competitive practices among students and the youth through games, and to encourage them to deal with competition positively. The games were launched at the HKEC website in June 2004.

The resources required for promoting competition concepts at schools in general have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Funding for the commissioning of the HKEC to develop the interactive games has been included under Subhead 700 General non-recurrent Item 014. The total expenditure involved was \$400,000 (\$200,000 paid in 2003-04 and another \$200,000 paid in 2004-05), which included fees for producing and launching the games on the Internet.

Item 015 is for maintaining and updating the COMPAG website, and for producing publicity materials. In 2004-05, the expenditure for maintaining and updating the COMPAG website was \$1,650. We will produce CD-ROMs of the interactive games and publicity materials for promoting competition concepts at schools and the estimated expenditure in 2005-06 is \$100,000.

In 2005-06, we will continue to work with the EMB to evaluate the effectiveness of incorporating competition concepts into the IH curriculum. We will obtain feedback through EMB's liaison meetings with the IH teachers on whether the curriculum relating to competition can attract the interest of the students; students' level of participation in discussion; the appropriateness and adequacy of cases provided; and whether the curriculum can help to enhance the students' awareness and understanding of anti-competitive practices, etc. Based on the feedback received, we will also consult the EMB and further refine the curriculum and the teaching materials.

In addition, COMPAG will appoint an independent committee (the Committee) to review the Government's existing competition policy and the composition, terms of reference and operations of COMPAG. The Committee will be chaired by a non-official, with members drawn from different sectors of the community. All non-official members, appointed on ad personam basis, will be selected on the merit of the individual concerned, taking into account the person's ability, expertise, experience, integrity and commitment to public service. The Committee will be set up within this quarter and is expected to complete its review in 12 months' time. We will inform the Legislative Council and the public of the outcome of the review.

We will commission an independent consultant to assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might

have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc. of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether, if so what, measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong. \$800,000 has been reserved under Item 014 for consultancy studies on competition issues including that on the local auto-fuel market.

To promote the *Guidelines to maintain a competitive environment and define and tackle anti-competitive practices* (the Guidelines) issued by COMPAG, the COMPAG Secretariat has contacted the respective trade and industry organisations to introduce the Guidelines and to follow up with them regarding their plans in promoting the Guidelines among their members. These organisations in general support the Guidelines, and some of them have promoted the Guidelines to their members through newsletters and encouraged their members to comply with the Guidelines. The Hong Kong Retail Management Association has developed a code of conduct for the supermarket sector on the basis of the Guidelines. The COMPAG Secretariat will continue to liaise with the relevant associations in promoting the Guidelines.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)053

Question Serial No.

0279

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under the programme, it is stated that the Administration will commence and complete Phase II of the Harbour Lighting Plan for the Victoria Harbour in 2004-05 and 2005-06 respectively. In this respect, please provide the following information:

- (i) Details of the works concerned;
- (ii) Total estimated expenditure involved in various stages of the works;
- (iii) Employment opportunities to be created by the works; and
- (iv) Visitor arrivals estimated for the project upon its completion.

Asked by : Hon. KWONG Chi-kin

Reply :

- (i) The scope of the project includes installation of architectural lighting and control systems for three government buildings (Hong Kong Cultural Centre, Hong Kong Museum of Art and Hong Kong Coliseum); and implementation of an overall multi-media system to control the movement, colour and intensity of the individual lighting systems installed in all buildings (over 30 in total) participating in Phase II of "A Symphony of Lights" project.
- (ii) Government spending on the project is estimated to be around \$60 m in money-of-the-day prices. All costs pertaining to private buildings are met by the respective building owners.
- (iii) For the implementation of the project, we estimate that the Government will create about 55 jobs (30 for labourers and another 25 for professional/technical staff) providing a total employment of 600 man-months. We do not have employment information regarding the private buildings.

- (iv) The project will be launched in December this year. Locals and visitors will then be able to enjoy the show on both sides of the harbour. It is estimated that the new show will have an annual draw of over four million spectators.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)054

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Question Serial No.

0280

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under Programme (5), it is stated that the Economic Development Branch will continue to “work with the Hong Kong Tourism Board, the tourism industry and relevant parties” in 2005-06. In this respect, please provide the following information:

Please provide the details of such co-operation. Which organisations are included in “the tourism industry and relevant parties”? How will the Administration co-operate with various organisations?

Asked by : Hon. KWONG Chi-kin

Reply :

Tourism-related sectors include travel agents, hotel operators, catering operators, retailers, air carriers, mass transport operators, etc. Organisations include the relevant trade associations and operators from these sectors.

The Government maintains close liaison with the Hong Kong Tourism Board and the tourism related trades, seeking their comments and input on tourism related issues on a regular basis. Recent examples of cooperation include joint efforts in promoting “business as usual” among the retail and catering sectors during the Chinese New Year holidays; collaborative actions with the trades to ensure smooth visitor flow and maintain quality of tourism services; and conducting a Service Quality Study that aims to enhance the level of service quality together with the relevant trades. In exploring new tourism products, we have all along engaged the trades and consult their views to ensure the new products meet the visitors’ demand. An example is that we are now working with the HKTB, relevant trades, and local residents of the Northern New Territories (NNT) to jointly develop an island-hopping sight-seeing itinerary in the Plover Cove and Tolo Channel areas as part of our NNT Green Tourism Development Programme.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)055

Question Serial No.

0281

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under Programme (5), it is stated that the Economic Development Branch will continue to “work with the Hong Kong Tourism Board, the tourism industry and relevant parties” in 2005-06. In this respect, please provide the following information:

Does the Administration have any plans to develop new tourism projects with the relevant parties in 2005-06? If yes, please account for the estimated expenditure and details of such projects.

Asked by : Hon. KWONG Chi-kin

Reply :

In the course of developing new tourism projects, we maintain close liaison with the Hong Kong Tourism Board, the tourism industry and relevant parties, seeking their comments and input on the proposals.

In 2005-06, we plan to consult various stakeholders including the tourism industry and relevant parties on a draft plan to develop green tourism in Tung Ping Chau, initial concept for the Aberdeen Tourism Project, development of spa and resort facilities in Hong Kong, etc. The above initiatives are still under study at present. No details and cost implications are available.

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)056

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0282

Subhead:

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under Programme (5), it is stated that the Economic Development Branch will continue to “work with the Hong Kong Tourism Board, the tourism industry and relevant parties” in 2005-06. In this respect, please provide the following information:

Has consideration been given to establishing another consultative machinery besides the Hong Kong Tourism Board so that representatives of the front-line workforce can express their views on the development of tourism in Hong Kong? If such a consultative machinery is to be established, how much funding is required?

Asked by : Hon. KWONG Chi-kin

Reply :

The Government maintains close liaison with the tourism related trades, seeking their comments and input on tourism related issues on a regular basis. Apart from the Hong Kong Tourism Board, there are other established consultative fora, including the Advisory Committee on Travel Agents (a statutory body established under the Travel Agents Ordinance to advise on matters related to travel agents and persons using travel agent services) and the Tourism Strategy Group (an advisory group chaired by the Commissioner for Tourism to consider and make recommendations to the Government in respect of tourism development from a strategic perspective). These consultative bodies cover a wide spectrum of representation from the tourism related bodies, including travel agents, hotel operators, catering operators, retailers, air carriers, academics, representatives from the Consumer Council and professionals from the accounting, legal and insurance sectors.

We use existing resources to service these consultative groups.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)057

Question Serial No.

0524

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

On examining the options for and conducting consultation on the future development of the electricity supply market after the expiry of the current Scheme of Control Agreements in 2008, please advise: (a) what is the Government's estimated expenditure? (b) what is the work plan? (c) what is the progress made by the Government in this aspect in 2004-05? and (d) what is the expenditure involved?

Asked by : Hon. LEUNG Kwok-hung

Reply :

Resources required for the review of post-2008 electricity market arrangements have been included in the overall provisions for Programme (3) under Head 145 Government Secretariat : the Economic Development and Labour Bureau (Economic Development Branch) and cannot be separately itemized. Funding earmarked for consultancy studies and surveys for developing the regulatory and market restructuring framework of electricity supply industry is included under Subhead 700 Item 017 of the same Head. Two consultancy studies on overseas electricity markets were completed in 2001-02 at a total cost of \$1,873,000 and two surveys to collect the opinions of domestic and non-domestic consumers on electricity supply in Hong Kong were completed in 2003-04 and 2004-05 respectively at a total cost of \$640,000.

In 2004-05, we have completed initial studies on options for development of the future electricity market and have invited the views of the public with the launch of Stage 1 of the public consultation exercise on 31 January 2005. We will, on the basis of the views obtained by end of the consultation period on 30 April 2005, map out the framework for the development of the future electricity market and consult the public again under Stage 2, with the view to finalising the post-2008 arrangements in good time.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)058

Question Serial No.

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

0583

Subhead :

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2004-05, several incidents of power and aircraft failures occurred at the Hong Kong International Airport and the Cathay Pacific Airways has been involved, raising international concerns over the aviation safety in Hong Kong. As the Administration aims to “maintain and develop further Hong Kong’s position as a centre of international and regional aviation”, have more resources been allocated for co-operating with the Airport Authority in order to enhance the administrative and crisis management abilities of the Hong Kong International Airport and to strengthen the monitoring of flight safety in Hong Kong? If yes, what are the expenses involved?

Asked by : Hon. YEUNG Sum

Reply :

The power disruption incident occurred on 4 July 2004 affected only the lighting and power supply to certain areas of the Passenger Terminal Building. The safe operations of aircraft and flights at Hong Kong International Airport (HKIA) were not affected. While the power distribution system at the airport is designed and operated at a standard much higher than those installed at commercial buildings in Hong Kong, the Airport Authority (AA) has, in view of the strategic importance of the airport, conducted a review of the power supply control system at the end of 2004 and has since initiated a comprehensive system redesign and upgrade project, with a view to minimizing both the chances of incidents and any possible impact on airport users in the event of any incident in future.

To enhance the overall management ability and operational reliability of the airport, AA has also taken the opportunity to conduct a comprehensive review of all its major airport

operating systems, including baggage handling system, fire system and public alarm, information technology system etc. While the review is still on-going, AA has already started improvement works on several priority areas as identified in the preliminary findings of the review so as to minimize any chances of system failure and to strengthen AA's contingency management capability. AA will also conduct regular drills and maintain close liaison with relevant government departments, airlines and ground services operators to enhance coordination in contingency management.

The AA is responsible for financing the initiatives mentioned above and there are no resource implications for the Government.

The Civil Aviation Department (CAD) is responsible for overseeing the safety of Hong Kong's air services. In view of the public concern over the recent aircraft incidents, CAD has written to Hong Kong airlines to urge them to conduct thorough investigation into the causes of such incidents and take appropriate follow-up action. CAD also meets regularly with airlines and aircraft maintenance companies to follow up on each incident. Moreover, CAD will continue its stringent monitoring of Hong Kong airlines and aircraft maintenance companies in accordance with the standards of the International Civil Aviation Organisation. Through the established aerodrome licensing system, CAD also constantly monitors the operations of the AA (including its contingency procedures) to ensure that the airport maintains the highest safety standards.

In view of the anticipated increase in the number of Hong Kong airlines and aircrafts registered in Hong Kong, CAD will allocate an additional \$1.13 m in 2005-06 for engaging additional staff to step up the safety monitoring of Hong Kong airlines and maintenance companies.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)059

Head : 145

Government Secretariat:

Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0630

Subhead : 700 General non-recurrent

Programme:

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please provide the details of Item 017 – “Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong”, the views of the consultant and the total expenditure involved.

Asked by : Hon. YEUNG Sum

Reply :

The study into post-2008 electricity market arrangements encompasses a wide range of complex, interrelated economic, technical and regulatory issues. Consultancy studies and surveys are commissioned, where necessary, to complement our in-house studies. We completed two consultancy studies in 2001-02 on the overseas practices and experiences in demand forecasts, electricity charges and market operation. We also conducted opinion surveys of domestic and non-domestic consumers on electricity supply in Hong Kong in 2003-04 and 2004-05 respectively. The expenditure for the above consultancy studies and surveys under Item 017 is about \$2.5 million. In summary,

- the studies on overseas electricity markets indicated that different approaches are adopted by different markets, depending inter alia on the particular circumstances of the particular market and the associated regulatory regime, and there is no universal model applicable to all electricity markets as such; and
- the two opinion surveys on electricity supply in Hong Kong revealed that maintaining reliable and stable electricity supply is the top priority for the majority of respondents.

The findings of the consultancy studies and the views obtained from Stage I of the public consultation will be considered in mapping out the framework for the development of the future electricity market.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)060

Question Serial No.

0759

Head : 145 Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much provision will be allocated in 2005-06 for cultivating high potential markets including the Mainland, South Korea, the Philippines and Thailand and what are the detailed plans?

Asked by : Hon. YOUNG Howard

Reply :

In 2005-06, the Hong Kong Tourism Board will continue to maintain a balanced development strategy for various source markets. The provision allocated for the four high-growth markets (including the Mainland, South Korea, the Philippines and Thailand) in 2005-06 is \$62.57 million. Details of the promotional initiatives are as follows:

Mainland China

- Launch the *2006 Discover Hong Kong Year* with a large-scale integrated campaign covering TV and print advertising, PR events, web promotion and roadshows in key cities to enhance Hong Kong's appeal.
- Further expand the family travel segment through promotions for the Hong Kong Disneyland, Hong Kong Wetland Park, Tung Chung Cable Car System and existing family products such as museums, targeting parents travelling with children.
- Promote the Individual Visit Scheme (IVS) in key cities through advertising and PR campaigns, effective information dissemination and consumer roadshows. For new IVS cities, to stage promotions including trade and media presentations, co-operation with the Public Security Bureau to disseminate information, print advertising and introduction of special IVS packages.
- Leverage on the introduction of new exhibition and meeting venue and major attractions to develop the Meetings, Incentives, Conventions and Exhibitions (MICE) segment.
- Leverage on the unique attractiveness of the mega events such as *Hong Kong Shopping Festival* to generate incremental visitor arrivals and stimulate spending.
- Co-operate with travel trade partners to develop new and targeted itineraries and packages to bring in arrivals.

- Strengthen consumer education on the Quality Tourism Services (QTS) Scheme through TV programmes, print media campaign, briefings and familiarisation visits for the media in key cities.

South Korea

- Enhance Hong Kong's image and destination appeal by leveraging on the mega events and new products for the family and business segments.
- Rejuvenate the destination appeal through launching the *2006 Discover Hong Kong Year* campaign to showcase the diversity of Hong Kong.
- Ride on the fast growth of free independent travel (FIT) to develop segmented and themed marketing offers and itineraries that cater for the special interests of young office ladies, and families.
- Harness the growth potential of the business travel segment by encouraging business travellers to bring their companions and extend their stay.
- Strengthen the relationship with the travel trade and solicit their support in product development, distribution channels, sales activities and joint marketing promotions.
- Tap into the high impact online channels, strengthen information dissemination, sales network, co-op and direct marketing activities.
- Step up consumer education on the QTS Scheme with integrated communication programmes during shopping and dining promotions.

The Philippines

- Continue to reinforce the international and cosmopolitan image of Hong Kong, and leverage on the strong appeal of shopping, fun and entertainment, green elements, and the popularity of the international movie star and Hong Kong Tourism Ambassador, Jackie Chan to enhance the promotional effect.
- Maintain Hong Kong as the most preferred destination by launching the *2006 Discover Hong Kong Year* campaign.
- Secure Hong Kong's leading position as a family destination by leveraging on the new and existing family attractions for offering complete edutainment experience.
- Boost arrivals and stimulate spending through promotions targeting the female segment by organising the *Hong Kong Shopping Festival*.
- Expand the appeal to the male segment, by highlighting the green and nature attractions and the nightlife.

Thailand

- Reinforce the diversity and sophisticated image of Hong Kong and expand destination appeal beyond shopping and dining through launching the *2006 Discover Hong Kong Year* campaign.
- Establish Hong Kong's image as a family destination by leveraging on the key new attractions and the core strengths of shopping to appeal to the mother-oriented family segment.
- Cultivate the high potential FIT segment, especially among the fast-growing young segment by offering FIT travel guides and enhancing information dissemination via internet and the travel trade.
- Drive immediate visitor/revisits and enrich destination experience by leveraging on the strong appeal of mega events and festivals, the dining and other existing offerings.

- Expand the MICE segment by riding on trade events and training “Hong Kong specialists” in the local market for effective and efficient sales channel development.
- Step up consumer education on the QTS Scheme with integrated communications programmes during shopping and dining promotions.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)061

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0760

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much provision will be allocated in 2005-06 for revitalising appeal for repeated visitors from Taiwan and rekindling interest in Hong Kong as a destination among Japanese consumers respectively? What are the detailed plans?

Asked by : Hon. YOUNG Howard

Reply :

In 2005-06, the Hong Kong Tourism Board (HKTB) will continue to maintain a balanced development strategy for various source markets. The total provision allocated for the Taiwan and Japan markets in 2005-06 is about HK\$52.2 m. Detailed plans are as follows:

Taiwan

- Reposition Hong Kong's destination image beyond shopping and dining by launching the *2006 Discover Hong Kong Year* campaign.
- Leverage on the new tourism projects such as the Hong Kong Disneyland, Hong Kong Wetland Park and Tung Chung Cable Car System to rejuvenate Hong Kong's destination appeal and strengthen Hong Kong's image as the "hottest" destination.
- Package the above new tourism projects and various year-round mega events with existing attractions and target the family and young segments.
- Organise the *Hong Kong Shopping Festival* in the summer and the "Ladies Promotion" tactical campaign to sustain arrivals before the launch of new attractions.
- Reach the targeted young segment and arouse their interest to visit Hong Kong through the Internet.
- Harness the full potential of the large volume of business travellers to generate business-cum-leisure visits, extended stay and incremental spending.
- Work closely with the travel trade to develop creative itineraries and repackage existing and new products to show the diversity of Hong Kong and launch tactical campaigns to bring in arrivals.
- Continue to promote Hong Kong at cities outside Taipei such as Kaohsiung to drive incremental arrivals.

Japan

- Following the success of the “*Hong Kong Shin Hakken*” booster campaign launched in 2004, the HKTB will further promote Hong Kong’s “hidden treasures” such as green tourism under this platform through tactical campaigns with key airlines.
- Launch the *2006 Discover Hong Kong Year* campaign with wide exposure to rejuvenate the destination image and rekindling consumer interest in Hong Kong.
- Revive the market share through the “Hong Kong Getaway” campaign that targets young office ladies and men and position Hong Kong as an ideal destination for short vacation.
- Leverage on the new tourism attractions to offer diverse and enriched itineraries and product packaging, especially on entertainment, green/nature and culture, to further stimulate arrivals.
- Leverage on the mega events such as the *Hong Kong Shopping Festival* and *Hong Kong WinterFest* to roll out major tactical promotions to bring in more arrivals.
- Step up consumer education on the Quality Tourism Services Scheme through effective information dissemination and integrated communications programs during shopping and dining promotions in order to stimulate spending in Hong Kong.

Signature _____

Name in block
letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)062

Head : 145 Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0761

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is stated that a new and special global publicity campaign will be launched with a series of worldwide publicity and promotional activities. What are the details of these activities?

Asked by : Hon. YOUNG Howard

Reply :

The new and special global publicity campaign to be launched by the Hong Kong Tourism Board (HKTB) refers to a campaign entitled "2006 Discover Hong Kong Year" (the Campaign), which comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a "must-visit" destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005 and 2006. Details of key deliverables are as follows:

- On trade promotion, the HKTB will promote the Campaign to the international travel trade and convince them that 2006 will be a very good time to visit Hong Kong, with a view to driving them to package and promote creative itineraries. Leading the series of trade related activities is a trade familiarisation visit for leaders of global media and trade organisations in May 2005.
- On consumer promotion, the HKTB will aggressively promote the Campaign to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade.
- On public relations activities, the HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on "2006 Discover Hong Kong Year".

The HKTB will also collaborate with the retail, dining and travel sectors to introduce special privileges and offers during periods of mega events to stimulate visitor spending.

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)063

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0762

Subhead :

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is stated in Programme (6) that “the Consumer Council (the Council)’s performance reflects the increase in the number of telephone enquiries and complaints and the capacity of the Council’s telephone hotline system”. Could the Administration provide the following information:

1. Will the Council expand its staff to enhance efficiency and to cope with the increasing number of telephone enquiries and complaints?
2. Why is there a decrease of 4.3% in the provision for 2005-06 over the revised estimate for 2004-05 when the Council has to deal with an increasing number of enquiries and complaints? Can the Council cope with the ever-increasing workload with such a decrease in resources?

Asked by : Hon. CHAN Yuen-han

Reply :

The Consumer Council (CC) continues its efforts to enhance consumer awareness and promote consumer education. In light of the increase in the number of consumer complaints and enquiries in recent years, to enhance efficiency, the CC has streamlined the procedures for handling complaints and arranged redeployment of staff (instead of increasing the number of staff). At the same time, with the installation and operation of an upgraded interactive telephone answering system in February 2005, nearly all telephone calls can be attended to within one minute.

Hence, although the subvention to the CC in 2005-06 is slightly less than the revised estimates for 2004-05, this should not have any substantive impact on the CC’s work in protecting consumer interests.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)064

Question Serial No.

0771

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (4) Public Safety

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is stated in the "Matters Requiring Special Attention in 2005-06" that the Economic Development Branch will continue to take measures to further improve weather information services. What measures will be taken to improve these services and how much will be spent on purchasing advanced equipment?

Asked by : Hon. WONG Ting-kwong

Reply :

In 2005-06, the Hong Kong Observatory will undertake several new measures to enhance the weather information services, which include:

- (1) providing the public and individual sectors with lightning location information covering the Pearl River Delta and strengthening the thunderstorm warning services by using a new network of lightning location sensors;
- (2) acquiring a backup Light Detection and Ranging system to ensure uninterrupted provision of data for windshear detection for the Hong Kong International Airport;
- (3) providing through the Hong Kong Observatory's website wind speed and direction information at additional locations as well as additional numerical model upper-air forecast charts; and
- (4) continuing to develop a new generation of numerical weather prediction model, through integration with the operational nowcasting system, to assist

forecasters in forecasting the possible occurrence of heavy rain in the next few hours.

The Hong Kong Observatory has reserved funds in 2005-06 for acquiring advanced meteorological equipment, including the lightning location system and the backup Light Detection and Ranging system mentioned in items (1) and (2) above, as well as for researching new technology for the exchange of meteorological information with aircraft to enhance the level of the aviation weather service. The estimated expenses on these three items for 2005-06 are around \$5.3 m which will be funded mainly under Capital Works Reserve Fund Head 708 Capital Subventions and Major Systems and Equipment and Head 710 Computerisation, instead of Head 168 Hong Kong Observatory.

The allocation under Head 145 for 2005-06 only covers the costs of staff involved in policy oversight for weather services and related operating expenses.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)065

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0841

Subhead :

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2005-06, the Economic Development Branch will enhance its collaboration with the Guangdong authorities in order to reduce cross-boundary trucking cost. What items are now on the agenda?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

Key issues affecting cross-boundary trucking cost include the “4-up-4-down” and “1-truck-1-driver” rules, the indirect truck licensing scheme and inland customs services. We have pursued the above issues with the Mainland Customs General Administration and relevant authorities in Guangdong (GD), and have achieved initial results.

The Mainland Customs has relaxed the “4-up-4-down” rule starting from 1 January 2005.

On the “1-truck-1-driver” rule, the GD authorities have agreed to allow cross-boundary container trucks to apply for reserve drivers in addition to the assigned drivers. They will implement the new measure when formal approval is granted by the provincial government.

On the regulation of cross-boundary trucking enterprises, we have discussed the industry’s proposals regarding the “licence quota scheme” and related arrangements with the GD side. As an initial response, the GD side has agreed to simplify the procedures so that the licence period will be extended from three to five years. The average annual licence fee (approximately RMB 33,000) will remain unchanged. The GD side will implement the new measure when formal approval is granted by the provincial government.

On improvements to customs services, the GD side has agreed to extend customs operating hours according to cargo volume and practical needs of different regions. The operating hours of a selected control point at Jiangmen will be extended to midnight on a trial basis.

In 2005-06, we will continue to discuss with the GD authorities measures to reduce cross-boundary trucking cost through further improvements on the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks. The Economic Development and Labour Bureau has not allocated additional funding in 2005-06 for this task. We will continue to use existing resources to pursue the above issues.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)066

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0867

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

1. Taking forward the next steps recommended in the Study on Hong Kong Port - Master Plan 2020 is one of the matters requiring special attention this year. What are the projects included in those next steps? What is the estimated amount of financial and human resources needed for such projects? What is the target completion date for each project?
2. What specific measures will be taken to improve efficiency in existing port operations? Is there any need for additional manpower or facilities?

Asked by : Hon. CHAN Kam-lam

Reply :

1. In late November 2004, we conducted consultation on the draft Executive Summary of the Study on Hong Kong Port – Master Plan 2020 (HKP 2020 Study). Although the consultation period has closed on 28 February 2005, we remain open to views and suggestions. We will analyse the views expressed by various sectors of the community on the HKP 2020 Study, and further consult the stakeholders in formulating the programme for implementing the recommendations.

The HKP 2020 Study has identified two possible locations for the development of Container Terminal 10 (CT10), namely Northwest Lantau and Southwest Tsing Yi. Both sites have their pros and cons. No decision has been made on site selection for CT 10 at this stage. As the Study recommends, we will conduct an ecology study on the Northwest Lantau site to further assess its environmental suitability for constructing CT10. In parallel, we will update the Port Cargo Forecast to work out the optimal timing for constructing CT10. We will review the port expansion options when more data are available.

We will commission consultants to conduct the ecology study and update the Port Cargo Forecast. The expenditure involved has yet to be determined as the two studies are still under planning.

2. We are also actively pursuing measures to enhance Hong Kong's port competitiveness, including addressing the cost differential between Hong Kong and neighbouring ports. On Terminal Handling Charges (THC), we will continue to facilitate the dialogue between the relevant parties and trade organizations to enhance the transparency of the process for determining THC. On reduction of cross-boundary trucking cost, we have liaised with the industry and identified the key issues, which include the "4-up-4-down" and "1-truck-1-driver" rules, the indirect truck licensing scheme and inland customs services. We have pursued the above issues with the Mainland Customs General Administration and relevant authorities in Guangdong (GD), and have achieved initial results. We will continue to discuss with the GD authorities on measures to reduce cross-boundary trucking cost through further improvements on the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks. We will continue to use existing resources to pursue the above issues.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)067

Question Serial No.

0918

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Concerning the consultation with the public for the future development of the electricity market after the expiry of the current Scheme of Control Agreements in 2008, when will the results be announced and how to ensure that public opinions will be followed?

Asked by : Hon. LEUNG Yiu-chung

Reply :

We are now seeking the public's views on options for development of the post-2008 electricity market under Stage 1 of the public consultation. We will consider the views collected by the end of the three-month consultation on 30 April 2005, map out the framework for development of the future electricity market, and then consult the public again under Stage 2 of the consultation at the latter half of this year. We will make public the views received.

The purpose of a two-stage public consultation exercise is to ensure that we can obtain and take into account the views of all interested parties in formulating the post-2008 electricity market arrangements. As regards the Stage 2 consultation, we will, as we did at the beginning of the Stage 1 consultation, consult the Legislative Council Panels on Economic Services and Environmental Affairs.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Reply Serial No.

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)068

Question Serial No.

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

0919

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Will the Government deploy more resources to strengthen the work of the Competition Policy Advisory Group? If yes, please provide the details.

Asked by : Hon. LEUNG Yiu-chung

Reply :

The resources required by the Competition Policy Advisory Group (COMPAG) have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700 General non-recurrent Items 014 and 015.

Item 014 is for engaging consultants to conduct specific studies or produce educational materials. To nurture awareness and promote understanding of anti-competitive practices among students and the youth, we worked with the Education and Manpower Bureau (EMB) in 2004-05 on the following-

- (i) briefed primary school principals and teachers, and teachers of the Economics and the Integrated Humanities (IH) courses on the Government's competition policy and competition concepts, and promoted competition concepts at schools;
- (ii) integrated competition concepts into the IH curriculum for senior secondary students (Form 4 and 5) since September 2004. Through discussions of cases closely related to their daily lives (such as competition in the supermarket sector), we aim to enhance the students' awareness and

knowledge of different kinds of anti-competitive practices, and to teach them to refrain from engaging in such practices; and

- (iii) commissioned the Hong Kong Education City (HKEC) to develop interactive games for senior primary (Primary 4 to 6) and junior secondary (Form 1 to 3) school students. The objectives are to nurture awareness and promote understanding of anti-competitive practices among students and the youth through games, and to encourage them to deal with competition positively. The games were launched at the HKEC website in June 2004.

The resources required for promoting competition concepts at schools in general have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Funding for the commissioning of the HKEC to develop the interactive games has been included under Subhead 700 General non-recurrent Item 014. The total expenditure involved was \$400,000 (\$200,000 paid in 2003-04 and another \$200,000 paid in 2004-05), which included fees for producing and launching the games on the Internet.

Item 015 is for maintaining and updating the COMPAG website, and for producing publicity materials. In 2004-05, the expenditure for maintaining and updating the COMPAG website was \$1,650. We will produce CD-ROMs of the interactive games and publicity materials for promoting competition concepts at schools and the estimated expenditure in 2005-06 is \$100,000.

In 2005-06, we will continue to work with the EMB to evaluate the effectiveness of incorporating competition concepts into the IH curriculum. We will obtain feedback through EMB's liaison meetings with the IH teachers on whether the curriculum relating to competition can attract the interest of the students; students' level of participation in discussion; the appropriateness and adequacy of cases provided; and whether the curriculum can help to enhance the students' awareness and understanding of anti-competitive practices, etc. Based on the feedback received, we will also consult the EMB and further refine the curriculum and the teaching materials.

In addition, COMPAG will appoint an independent committee (the Committee) to review the Government's existing competition policy and the composition, terms of reference and operations of COMPAG. The Committee will be chaired by a non-official, with members drawn from different sectors of the community. All non-official members, appointed on ad personam basis, will be selected on the merit of the individual concerned, taking into account the person's ability, expertise, experience, integrity and commitment to public service. The Committee will be set up within this quarter and is expected to complete its review in 12 months' time. We will inform the Legislative Council and the public of the outcome of the review.

We will commission an independent consultant to assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc. of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether, if so what, measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong. \$800,000 has been reserved under Item 014 for consultancy studies on competition issues including that on the local auto-fuel market.

To promote the *Guidelines to maintain a competitive environment and define and tackle anti-competitive practices* (the Guidelines) issued by COMPAG, the COMPAG Secretariat has contacted the respective trade and industry organisations to introduce the Guidelines and to follow up with them regarding their plans in promoting the Guidelines among their members. These organisations in general support the Guidelines, and some of them have promoted the Guidelines to their members through newsletters and encouraged their members to comply with the Guidelines. The Hong Kong Retail Management Association has developed a code of conduct for the supermarket sector on the basis of the Guidelines. The COMPAG Secretariat will continue to liaise with the relevant associations in promoting the Guidelines.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)069

Question Serial No.

0946

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Has the Economic Development and Labour Bureau made any financial provision for taking forward the next steps recommended in the Study on Hogn Kong Port - Master Plan 2020? If yes, please provide the details.

Asked by : Hon. TIEN Pei-chun, James

Reply :

In late November 2004, we conducted consultation on the draft Executive Summary of the Study on Hong Kong Port Master Plan 2020 (HKP 2020 Study). Although the consultation period has closed on 28 February 2005, we remain open to views and suggestions. We will analyse the views expressed by various sectors of the community on the HKP 2020 Study, and further consult the stakeholders in formulating the programme for implementing the recommendations.

The HKP 2020 Study has identified two possible locations for the development of Container Terminal 10 (CT10), namely Northwest Lantau and Southwest Tsing Yi. Both sites have their pros and cons. No decision has been made on site selection for CT 10 at this stage. As the Study recommends, we will conduct an ecology study on the Northwest Lantau site to further assess its environmental suitability for constructing CT10. In parallel, we will update the Port Cargo Forecast to work out the optimal timing for constructing CT10. We will review the port expansion options when more data are available.

We will commission consultants to conduct the ecology study and update the Port Cargo Forecast. The expenditure involved has yet to be determined as the two studies are still under planning.

In addition, we are also actively pursuing measures to enhance Hong Kong's port competitiveness, including addressing the cost differential between Hong Kong and neighbouring ports. On Terminal Handling Charges (THC), we will continue to facilitate the dialogue between the relevant parties and trade organizations to enhance the transparency of the process for determining THC. On reduction of cross-boundary trucking cost, we have liaised with the industry and identified the key issues, which include the "4-up-4-down" and "1-truck-1-driver" rules, the indirect truck licensing scheme and inland customs services. We have pursued the above issues with the Mainland Customs General Administration and relevant authorities in Guangdong (GD), and have achieved initial results. We will continue to discuss with the GD authorities measures to reduce cross-boundary trucking cost through further improvements on the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks. We will continue to use existing resources to pursue the above issues.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)070

Question Serial No.

0952

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Hong Kong Tourism Board (HKTB) indicates that they will enhance promotion in the Mainland Individual Visit Scheme (IVS) cities in 2005-06. Please elaborate on the contents and expenses involved.

Asked by : Hon. TIEN Pei-chun, James

Reply :

In 2005-06, the HKTB will continue to promote the IVS in key cities covered under the IVS through advertising and PR campaigns, effective information dissemination and consumer roadshows. For new IVS cities, the HKTB will stage promotions including trade and media presentations, co-operation with the Mainland Public Security Bureau to disseminate information, print advertising and introduction of special IVS package. In addition, the HKTB will promote the Quality Tourism Services Scheme to IVS visitors to enhance consumer protection. Based on the current number of IVS cities, \$3.6 m will be spent on IVS specific promotions.

Apart from this \$3.6 m for IVS specific promotions, the HKTB will also use about \$37 m in 2005-06 on the Mainland promotional activities for the new promotional programme for family and business visitors and the "2006 Discover Hong Kong Year" campaign. These activities will also cover IVS cities.

Signature _____

Name in block
letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)071

Question Serial No.

0953

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : The Hong Kong Tourism Board (HKTB) is going to “launch a new and special global publicity campaign”. What are the details of the contents and the breakdown of expenses involved?

Asked by : Hon. TIEN Pei-chun, James

Reply :

The new and special global publicity campaign to be launched by the HKTB refers to a campaign entitled “2006 Discover Hong Kong Year” (the Campaign), which comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a “must-visit” destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005 and 2006. Details of key deliverables are as follows:

- On trade promotion, the HKTB will promote the Campaign to the international travel trade that 2006 will be a very good time to visit Hong Kong, and invite them to package and promote creative itineraries for visitors to Hong Kong. Leading the series of trade related activities is a trade familiarisation visit for leaders of global media and trade organisations in May 2005.
- On consumer promotion, the HKTB will vigorously promote the Campaign to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade.
- On public relations activities, the HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on the Campaign.
- The HKTB will also collaborate with the retail, dining and travel sectors to introduce special offers during periods of mega events to stimulate visitor spending.

The estimated cost of the Campaign is \$276 m for two years. The breakdown is as follows:

- Trade promotions : \$29 m
- Consumer promotions : \$184 m
- Publicity & PR : \$23 m
- Others : \$40 m

Signature _____

Name in block
letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)072

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0954

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2005-06, the Economic Development and Labour Bureau will work with the two power companies on their financial plans, and formulate the framework for the future development of the electricity market after 2008. In this regard, please answer the following questions:

- (a) What are the details of the resources allocated?
- (b) Is there any plan to commission outside organisations, such as consultancy companies, to provide assistance? If yes, what are the details and the expenditure involved?

Asked by : Hon. TIEN Pei-chun, James

Reply :

In 2005-06, for reviewing the Financial Plans of the two power companies and mapping out the framework for development of the post-2008 electricity market, the resources required have been included in the overall provisions for Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to energy policy and cannot be separately itemised. No additional resources have been allocated for Programme (3) for undertaking the above work in 2005-06.

Since the Financial Plans encompass a wide range of complex issues involving the financial, technical and environmental aspects, a consultant has been commissioned to provide the necessary expert advice and support. Funding for the consultancy services is provided by Head 42 Electrical and Mechanical Services Department Subhead 700 General non-recurrent and the estimated total expenditure is \$3.7 million.

Funding earmarked for consultancy studies and surveys for developing the regulatory and market restructuring framework of the electricity market is included under Subhead 700 Item 017 of Head 145. Two consultancy studies on overseas electricity markets were completed in 2001-02 at a total cost of \$1,873,000 and two surveys to collect the opinions of domestic and non-domestic consumers on electricity supply in Hong Kong were completed in 2003-04 and 2004-05 respectively at a total cost of \$640,000.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)073

Head: 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0968

Subhead: 700 General non-recurrent

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under item 428 of 700 General non-recurrent, \$1,770,000 in 2004 were spent on consultancy on cruise terminal facilities development for Hong Kong. Please provide the breakdown of the outstanding \$4,230,000 and when will the project be completed?

Asked by: Hon. YOUNG Howard

Reply:

We have earmarked \$6 million for the consultancy study on cruise terminal facilities development for Hong Kong, of which \$1.77 million has been allocated to the Phase 1 study in 2004-05.

The Phase 1 consultancy study is in progress. We will consider carefully the findings of the consultancy report and the way forward, including when and how to take forward the Phase 2 study.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)074

Question Serial No.

1001

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

As indicated in the Estimates, the Economic Development Branch has worked with the Education and Manpower Bureau to promote competition concepts in schools and integrate such concepts into the school curriculum in 2004-05. In this regard, please provide the following information:

- (i) the expenses incurred;
- (ii) the responsible department and its scope of duties;
- (iii) the aims and details of the curriculum;
- (iv) the age group of the target students;
- (v) the time when the Government will evaluate the effectiveness of the curriculum; and
- (vi) the methodology and criteria used in the evaluation.

Asked by : Hon. KWONG Chi-kin

Reply :

In 2004-05, we worked with the Education and Manpower Bureau (EMB) on the following –

- briefed primary school principals and teachers, and teachers of the Economics and the Integrated Humanities (IH) courses on the Government's competition policy and competition concepts, and promoted competition concepts at schools;
- integrated competition concepts into the IH curriculum for senior secondary students (Form 4 and 5) since September 2004; and

- commissioned the Hong Kong Education City (HKEC) to develop interactive games for senior primary (Primary 4 to 6) and junior secondary (Form 1 to 3) school students. The objectives are to nurture awareness and promote understanding of anti-competitive practices among students and the youth through games, and to encourage them to deal with competition positively. The games were launched at the HKEC website in June 2004.

With regard to the work outlined above -

- (i) The resources required for promoting competition concepts at schools in general have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Funding for the commissioning of the HKEC to develop the interactive games has been included under Subhead 700 General non-recurrent Item 014. The total expenditure involved was \$400,000 (\$200,000 paid in 2003-04 and another \$200,000 paid in 2004-05), which included fees for producing and launching the games on the Internet.
- (ii) With regard to the interactive games, the Economic Development Branch (EDB) was responsible for the story write-up of the games; liaison with the HKEC with regard to the production of the games and their launching at the HKEC's website; and follow-up with primary schools' principals and teachers on promoting the games in primary schools. The EMB provided advice on arrangements for promoting the games and competition concepts in primary schools; and assisted EDB in organising briefings for primary school principals and teachers on the Government's competition policy and its efforts in promoting competition concepts in primary schools.

On integration of competition concepts into the IH curriculum, the EDB was responsible for providing information relating to competition policy and competition concepts and for briefing the teachers at the seminars. The EMB incorporated the relevant materials into the curriculum and advised their suitability for use by teachers in the IH curriculum.

- (iii) The objectives of the interactive games are to promote the students' awareness and knowledge of anti-competitive practices through simple stories, and to encourage students to deal with competition positively.

With regard to the integration of competition concepts into IH curriculum, through discussions of cases closely related to their daily lives (such as competition in the supermarket sector), we aim to enhance the students' awareness and knowledge of different kinds of anti-competitive practices, and to teach them to refrain from engaging in such practices.

- (iv) The target students of the interactive games are those from Primary 4 to Form 3 who are about 9 – 14 years old. The IH curriculum is offered for senior secondary students (Form 4 to 5) aged between 15 to 17.

- (v) Since the launch of the interactive games at the HKEC's website, we have preliminarily consulted some primary school principals and teachers on whether the games are suitable for the target students; whether they could achieve the objectives in (iii) above; and how to make use of the games to further promote competition concepts at primary schools. They are generally supportive of the Government's efforts in promoting competition concepts at primary schools, and consider that the games have provided very useful tools in teaching competition concepts at schools. We will follow up with primary school principals and teachers in 2005-06 on the effectiveness of promoting competition concepts through the interactive games. We will produce publicity materials and CD-ROMs of the interactive games for distribution to schools to assist their promotion work. In 2005-06, \$100,000 has been included under Subhead 700 General non-recurrent Item 015 to cover the relevant expenses.

On integrating competition concepts in the IH curriculum, we will evaluate the effectiveness of the relevant curriculum at the conclusion of the 2004-05 school year.

- (vi) The evaluation criteria for the interactive games will include whether the content of the games is suitable for the target students and whether they can achieve the objectives mentioned in (iii) above. In conducting the evaluation, we will seek the views of principals and teachers in primary schools.

On the IH curriculum, the evaluation criteria will include whether the curriculum relating to competition can attract the interest of the students; students' level of participation in discussion; the appropriateness and adequacy of cases provided; and whether the curriculum can help to enhance the students' awareness and understanding of anti-competitive practices, etc. In conducting the evaluation, we will obtain feedback from the IH teachers through EMB's regular liaison meetings with them. Based on the feedback received, we will also consult the EMB and further refine the curriculum and the teaching materials.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)075

Question Serial No.

1121

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under this programme, it is indicated that the Economic Development Branch has worked with the Education and Manpower Bureau to promote competition concepts in schools and integrate such concepts into the school curriculum in 2004-05. In this regard, please provide a breakdown of the expenses included for 2004-05 as well as the estimated expenditure (if any) for 2005-06. Please also give details on the specific work involved.

Asked by : Hon. TONG Ka-wah

Reply :

In 2004-05, we worked with the Education and Manpower Bureau (EMB) on the following-

- (i) briefed primary school principals and teachers, and teachers of the Economics and the Integrated Humanities (IH) courses on the Government's competition policy and competition concepts, and promoted competition concepts at schools;
- (ii) integrated competition concepts into the IH curriculum for senior secondary students (Form 4 and 5) since September 2004. Through discussions of cases closely related to their daily lives (such as competition in the supermarket sector), we aim to enhance the students' awareness and knowledge of different kinds of anti-competitive practices, and to teach them to refrain from engaging in such practices; and
- (iii) commissioned the Hong Kong Education City (HKEC) to develop interactive games for senior primary (Primary 4 to 6) and junior secondary (Form 1 to 3) school students. The objectives are to nurture awareness and promote understanding of anti-competitive practices among students and the youth through games, and to encourage them to deal with competition positively. The games were launched at the HKEC website in June 2004.

Since the launch of the interactive games at the HKEC's website, we have preliminarily consulted some primary school principals and teachers on whether the games are suitable for the target students; whether they could achieve the objectives in (iii) above; and how to make use of the games to further promote competition concepts at primary schools. They are generally supportive of the Government's efforts in promoting competition concepts at primary schools, and consider that the games have provided very useful tools in teaching competition concepts at schools.

The resources required for promoting competition concepts at schools in general have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Funding for the commissioning of the HKEC to develop the interactive games has been included under Subhead 700 General non-recurrent Item 014. The total expenditure involved was \$400,000 (\$200,000 paid in 2003-04 and another \$200,000 paid in 2004-05), which included fees for producing and launching the games on the Internet.

In 2005-06, we will continue to work with the EMB –

- (i) to evaluate the effectiveness of incorporating competition concepts into the IH curriculum. We will obtain feedback through EMB's liaison meetings with the IH teachers on whether the curriculum relating to competition can attract the interest of the students; students' level of participation in discussion; the appropriateness and adequacy of cases provided; and whether the curriculum can help to enhance the students' awareness and understanding of anti-competitive practices, etc. Based on the feedback received, we will also consult the EMB and further refine the curriculum and the teaching materials. The resources required for the above work have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised; and
- (ii) to further follow up with primary school principals and teachers in 2005-06 on the effectiveness of promoting competition concepts through the interactive games. We will produce publicity materials and CD-ROMs of the interactive games for distribution to schools to assist their promotion work. In 2005-06, \$100,000 has been included under Subhead 700 General non-recurrent Item 015 to cover the relevant expenses.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 7.4.2005 _____

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)076

Question Serial No.

1122

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under this programme area, it is mentioned that the Administration will continue to co-ordinate the work of government bureaux and departments in promoting competition. Will the Administration inform this Council of the details concerning the expenditure incurred in 2004-05 and that earmarked (if any) in 2005-06 in this connection and the specific work involved? For example, the expenditure earmarked for assisting the Competition Policy Advisory Group (COMPAG) in reviewing policies and practices, and the expenditure earmarked for areas such as promoting the guidelines, issued by the COMPAG, amongst chambers of commerce and trade and industry associations which seek to maintain a competitive environment, and to define and tackle anti-competitive practices.

Asked by : Hon. TONG Ka-wah

Reply :

The resources required by the Competition Policy Advisory Group (COMPAG), including coordinating the work of government bureaux and departments in promoting competition, have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700 General non-recurrent Items 014 and 015.

Item 014 is for engaging consultants to conduct specific studies or produce educational materials. To nurture awareness and promote understanding of anti-competitive

practices among students and the youth, we worked with the Education and Manpower Bureau (EMB) in 2004-05 on the following-

- (i) briefed primary school principals and teachers, and teachers of the Economics and the Integrated Humanities (IH) courses on the Government's competition policy and competition concepts, and promoted competition concepts at schools;
- (ii) integrated competition concepts into the IH curriculum for senior secondary students (Form 4 and 5) since September 2004. Through discussions of cases closely related to their daily lives (such as competition in the supermarket sector), we aim to enhance the students' awareness and knowledge of different kinds of anti-competitive practices, and to teach them to refrain from engaging in such practices; and
- (iii) commissioned the Hong Kong Education City (HKEC) to develop interactive games for senior primary (Primary 4 to 6) and junior secondary (Form 1 to 3) school students. The objectives are to nurture awareness and promote understanding of anti-competitive practices among students and the youth through games, and to encourage them to deal with competition positively. The games were launched at the HKEC website in June 2004.

The resources required for promoting competition concepts at schools in general have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Funding for the commissioning of the HKEC to develop the interactive games has been included under Subhead 700 General non-recurrent Item 014. The total expenditure involved was \$400,000 (\$200,000 paid in 2003-04 and another \$200,000 paid in 2004-05), which included fees for producing and launching the games on the Internet.

Item 015 is for maintaining and updating the COMPAG website, and for producing publicity materials. In 2004-05, the expenditure for maintaining and updating the COMPAG website was \$1,650. We will produce CD-ROMs of the interactive games and publicity materials for promoting competition concepts at schools and the estimated expenditure in 2005-06 is \$100,000.

In 2005-06, we will continue to work with the EMB to evaluate the effectiveness of incorporating competition concepts into the IH curriculum. We will obtain feedback through EMB's liaison meetings with the IH teachers on whether the curriculum relating to competition can attract the interest of the students; students' level of participation in discussion; the appropriateness and adequacy of cases provided; and whether the curriculum can help to enhance the students' awareness and understanding of anti-competitive practices, etc. Based on the feedback received, we will also consult the EMB and further refine the curriculum and the teaching materials.

In addition, COMPAG will appoint an independent committee (the Committee) to review the Government's existing competition policy and the composition, terms of

reference and operations of COMPAG. The Committee will be chaired by a non-official, with members drawn from different sectors of the community. All non-official members, appointed on ad personam basis, will be selected on the merit of the individual concerned, taking into account the person's ability, expertise, experience, integrity and commitment to public service. The Committee will be set up within this quarter and is expected to complete its review in 12 months' time. We will inform the Legislative Council and the public of the outcome of the review.

We will commission an independent consultant to assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc. of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether, if so what, measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong. \$800,000 has been reserved under Item 014 for consultancy studies on competition issues including that on the local auto-fuel market.

To promote the *Guidelines to maintain a competitive environment and define and tackle anti-competitive practices* (the Guidelines) issued by COMPAG, the COMPAG Secretariat has contacted the respective trade and industry organisations to introduce the Guidelines and to follow up with them regarding their plans in promoting the Guidelines among their members. These organisations in general support the Guidelines, and some of them have promoted the Guidelines to their members through newsletters and encouraged their members to comply with the Guidelines. The Hong Kong Retail Management Association has developed a code of conduct for the supermarket sector on the basis of the Guidelines. The COMPAG Secretariat will continue to liaise with the relevant associations in promoting the Guidelines.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)077

Question Serial No.

1123

Head : 145 Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Would the Administration inform us of the provision earmarked under this programme area for the expenditure of studies to be conducted by the Consumer Council in 2005-06, particularly of sector-specific studies on competition relating to sector structure, competitive mode and situation and give a detailed account of these studies?

Asked by : Hon. TONG Ka-wah

Reply :

Pursuant to section 4 of the Consumer Council Ordinance, the functions of the Consumer Council (CC) are to protect and promote the interests of consumers of goods and services and purchasers, mortgagors and lessees of immovable property by, inter alia, collecting, receiving and disseminating information concerning goods, services and immovable property. Sector-specific studies on competition relating to sector structure, competitive mode and situation fall outside the scope of the CC's statutory functions.

For the purpose of collecting, receiving and disseminating information concerning goods, services and immovable property, to enhance consumer's knowledge of various kinds of consumer products and facilitate consumer choice, the CC has reserved a funding of \$2.49 m in 2005-06 for conducting product tests, surveys and market studies. On current planning, the CC intends to conduct test on food (e.g. salts), clothing (e.g. pajamas), personal care products (e.g. toilet tissues), telecommunication equipment (e.g. mobile phones), audio-visual products (e.g. digital cameras), electrical appliances (e.g. oil-filled space heaters), and automobile products (e.g. child car seats) in 2005-06. The CC does not at present have plans to conduct surveys or market studies in 2005-06.

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)078

Question Serial No.

1126

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Administration indicates under this programme that it will consider how to take forward the recommendations of the consultancy study on spa and resort facilities during 2005-06. Would the Administration please inform us of the various expenses earmarked for this purpose and the details of specific work involved?

Asked by : Hon. TONG Ka-wah

Reply :

The Government commissioned a consultancy study in July 2004 to explore the market demand for spa and resort facilities, and to make recommendations on the provision of such facilities at international standard in Hong Kong. The study is still in progress and we are collecting views on the initial findings of the study. The means of collection include organising a public workshop, receiving views via website, fax and mail, etc. Relevant industries, green groups, local organisations and the public are welcome to forward their views on the initial findings to us.

The initial findings of the consultancy study have ascertained the potential for resort developments in Hong Kong. Development of these facilities will tie in with our strategy to broaden the range of tourism products in Hong Kong and develop high-end tourist market. In developing such facilities, we will consider the environmental implications of these projects and ensure sustainability.

The Government has an open-mind on the way forward and has no pre-conceived plan on how to develop the facilities and where they should be located. As the subject is still under study, no provision has been earmarked in 2005-06 for the implementation of the project. We will consider carefully the recommendations of the consultancy report and the views collected before deciding how to take this further.

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)079

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1127

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Would the Administration please inform us of the various expenses earmarked and the details of specific work involved for completing the consultancy study on the development of a new cruise terminal facility under this programme during 2005-06?

Asked by : Hon. TONG Ka-wah

Reply :

We have earmarked \$6 million for the consultancy study on cruise terminal facilities development for Hong Kong, of which \$1.77 million has been allocated to the Phase 1 study in 2004-05.

The Phase 1 consultancy study is in progress. We will consider carefully the findings of the consultancy report and the way forward, including when and how to take forward the Phase 2 study.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Reply Serial No.

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)080

Question Serial No.

1128

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Hong Kong Disneyland shall be completed and opened officially this year. Would the Administration please inform us of the details of the various expenses involved and the specific measures to be adopted under this programme for coping with the expected increase in the number of tourists during 2005-06?

Asked by : Hon. TONG Ka-wah

Reply :

To ensure that adequate facilities and coordinated arrangements are in place to deal with the expected increase in tourist arrivals, the Government has set up a series of task groups to work on specific areas including public transport services and contingency plans, cross-boundary arrangements, crowd control measures, security and emergency response plans, etc. to ensure that preparation for the opening of the Hong Kong Disneyland by various government agencies and other organisations are in progress and well-coordinated. These task groups are led by a Disneyland Readiness Committee (the Committee) set up in May 2004 to monitor and coordinate such work undertaken by the Government, the Hongkong International Theme Parks Limited and other relevant parties.

The Committee and the relevant task groups are supported by the Disney project team in Economic Development Branch, comprising 1 Administrative Officer Staff Grade C and six supporting staff. The provision for 2005-06 is about \$3.7 m.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 7.4 .2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)081

Question Serial No.

1129

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Financial Secretary also indicated in the 2005-06 Budget Speech that the Competition Policy Advisory Group would appoint an independent committee to review existing competition policy and the Group's composition, terms of reference and operations. Will the Administration inform us the breakdown of expenditures earmarked for the related investigation and study in 2005-06 as well as the details of the specific work?

Asked by : Hon. TONG Ka-wah

Reply :

The resources required by the independent committee (the Committee) to be appointed by the Competition Policy Advisory Group (COMPAG) have been included in the overall provisions for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. We have not allocated additional resources to Programme (3) for undertaking this task in 2005-06.

The Committee will review the Government's existing competition policy and the composition, terms of reference and operations of COMPAG. The Committee will be chaired by a non-official, with members drawn from different sectors of the community. All non-official members, appointed on ad personam basis, will be selected on the merit of the individual concerned, taking into account the person's ability, expertise, experience, integrity and commitment to public service. The Committee will be set up within this quarter and is expected to complete its review in 12 months' time. We will inform the Legislative Council and the public of the outcome of the review.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)082

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1132

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In his written reply to my question raised at the Legislative Council in this February, the Secretary for Economic Development and Labour advised that the Competition Policy Advisory Group would commission an independent consultant to investigate the competition aspects in the local retail fuel market, with a view to identifying whether there was market monopoly by oil companies, and that the related investigation and study are expected to be completed in the latter half of the year 2005. Will the Administration inform us the breakdown of expenditures earmarked for the investigation and study in 2005-06 as well as the details of the specific work?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

\$800,000 has been reserved in 2005-06 for consultancy studies on competition issues including that on the local auto-fuel market.

The consultancy study will assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether, if so what,

measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)083

Question Serial No.

1172

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

- (1) A sum of \$600,000 is committed in the revised estimated expenditure for 2004-05 for engaging consultants to advise on competition issues in other economies. What are the details of the consultancy work?
- (2) A sum of \$20,000 is committed in the revised estimated expenditure for 2004-05 for enhancing public awareness of the work of the Competition Policy Advisory Group. What are the details of the work done? What are the work plan and estimated expenditure for 2005-06?

Asked by : Hon. LAU Wai-hing, Emily

Reply :

- (1) Subhead 700 General non-recurrent Item 014 is for engaging consultants to conduct specific studies or produce educational materials. To nurture awareness and promote understanding of anti-competitive practices among students and the youth, we have commissioned the Hong Kong Education City to develop interactive games for senior primary (Primary 4 to 6) and junior secondary (Form 1 to 3) school students which were launched at its website in June 2004. The total expenditure involved was \$400,000 (\$200,000 paid in 2003-04 and another \$200,000 paid in 2004-05), which included fees for producing and launching the games on the Internet.
- (2) Subhead 700 General non-recurrent Item 015 is for maintaining and updating the Competition Policy Advisory Group (COMPAG) website, and producing publicity materials. In 2004-05, the actual expenditure for maintaining and updating the website was \$1,650. We will produce

CD-ROMs of the interactive games mentioned in item (1) above and publicity materials for promoting competition concepts at schools and the estimated expenditure in 2005-06 is \$100,000.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)084

Question Serial No.

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

1181

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and
Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In his Budget Speech, the Financial Secretary stated that “to promote the tourism industry further, I propose to earmark funding of \$500 million to implement the foregoing measures, which are expected to bring over 1.2 million additional visitors in the next two years, as well as an increase of nearly 2 million days in visitors’ length of stay, and additional economic benefits of nearly \$10 billion.”

Please advise :

- a. How will the foregoing provision of \$500 million be allocated to the measures to be undertaken and co-ordinated by the Economic Development and Labour Bureau? What will be the effectiveness of the measures in terms of additional visitor arrivals and “additional economic benefits” to be attracted?
- b. What are the details of the “additional economic benefits” mentioned by the Financial Secretary in his Speech? Is it necessary to deploy additional resources in order to achieve such benefits?

Asked by : Hon. SIN Chung-kai

Reply :

Out of the \$500 million funding mentioned by the Financial Secretary (FS) in his Budget Speech, the majority has been earmarked for the Hong Kong Tourism Board (HKTb): \$440 m for global marketing campaigns, \$30 m for enhancement of the Quality Tourism Services Scheme, and \$9.5 m for the HKTb to revamp its website and upgrade its information system. The remaining \$20m has been earmarked for the Economic Development and Labour Bureau to publicise the

new tourism attractions in the local community to promote local tourism; organise joint visits with the tourism trade to four key cities in the Mainland and Southeast Asia to introduce Hong Kong's latest tourism development; and conduct consultation exercises for various new tourism projects.

The "additional economic benefits" mentioned by FS refers to about 1.2 m incremental visitor arrivals, about 2 m extended nights of stay and additional economic benefits of about \$10 b in the coming two years which the above marketing campaigns will bring. Resources required have been included in the funding for the marketing campaigns.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)085

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1182

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What are the reasons for the substantial increase of over 50% in the revised estimate than the original one under this Programme in 2004-05.

Asked by : Hon. SIN Chung-kai

Reply :

The revised financial provision under Programme (5) for 2004-05 has increased by \$23 million (55%) over the original provision. The increase is mainly due to the implementation of some time-limited tourism initiatives, including the extension of the Tourism Development Assistant Training Project and "A Hospitable Hong Kong" Campaign, as well as consultancy studies on the development of cruise terminal facilities and spa and resort facilities in Hong Kong.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 4.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)086

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1308

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

One of the Administration's initiatives is to oversee the reliability of electricity and gas supply. What are the specific work in 2004-05 and the expenditure involved?

Asked by : Hon. LAU Wai-hing, Emily

Reply :

We oversee and review, pursuant to the Scheme of Control Agreements, the performance of the two power companies including the reliability and safety of electricity supply in our annual auditing reviews of their technical performance. We also monitor the reliability and safety of gas supply in our review of the performance of the Hong Kong and China Gas Co. Ltd., pursuant to the Information and Consultation Agreement. The Electrical and Mechanical Services Department also monitors the supply of electricity and gas on a day-to-day basis.

The resources required for overseeing the reliability and safety of electricity and gas supply have been included in the overall provisions for Head 145 : Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to energy policy and cannot be separately itemised.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)087

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1309

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

- (a) In 2005-06, the Administration will work on a financial review pursuant to the Scheme of Control Agreements with the two power companies. What are the details of the work concerned and the expenditure involved?
- (b) The Administration will conduct public consultation on the future development after the expiry of the current Scheme of Control Agreements in 2008. What are the details of the work concerned and the expenditure involved?

Asked by : Hon. LAU Wai-hing, Emily

Reply :

- (a) In 2005-06, we will, together with the Environment, Transport and Works Bureau and the Electrical and Mechanical Services Department (EMSD), continue our work on the review of Financial Plans of the two power companies for 2005-2008. In this connection, we will examine, inter alia, the power companies' electricity demand forecasts, development plans, estimated expenditure and proposed tariff rates for each year up to 2008, with the objective of ensuring that the public can continue to enjoy reliable and safe electricity supply at reasonable prices while minimising the impact on the environment.

Resources required for reviewing the Financial Plans have been included in the overall provisions for Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to energy policy and cannot be separately itemised. Since the Financial Plans encompass a wide range of complex issues

involving the financial, technical and environmental aspects, a consultant has been commissioned to provide necessary expert advice and support. Funding for the consultancy services is provided under Head 42 Electrical and Mechanical Services Department Subhead 700 General non-recurrent and the estimated total expenditure is \$3.7 million.

- (b) We are now seeking the public's views on options for development of the post-2008 electricity market under Stage 1 of the public consultation. We will consider the views collected by the end of the three-month consultation on 30 April 2005, map out the framework for development of the future electricity market, and then consult the public again under Stage 2 of the consultation at the latter half of this year. We will make public the views received.

Resources required for conducting public consultation have been included in the overall provisions for Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to energy policy and cannot be separately itemised. Funding earmarked for consultancy studies and surveys for developing the regulatory and market restructuring framework of electricity supply industry is included under Subhead 700 Item 017 of Head 145. Two consultancy studies on overseas electricity markets were completed in 2001-02 at a total cost of \$1,873,000 and two surveys to collect the opinions of domestic and non-domestic consumers on electricity supply in Hong Kong were completed in 2003-04 and 2004-05 respectively at a total cost of \$640,000.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)088

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1310

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

1. In 2005-06, the Administration will conduct a study on the "Lantau Logistics Park" project at Siu Ho Wan. What are the specific work plan and the expenditure involved?
2. Regarding the above project, how many private organizations in total will be invited for Expression of Interest and what will be the expenditure involved?
3. Will the Administration look at the role of private organizations in the above project? What will be the expenditure involved?

Asked by : Hon. LAU Wai-hing, Emily

Reply :

1. The feasibility study of the Lantau Logistics Park project covers various (including environmental and traffic) impact assessments to fulfil the statutory requirements for the subsequent zoning and reclamation of the site. The study costs around \$7.2m. As the feasibility study is still underway, we have no estimate of the full infrastructure cost for the project yet.
2. We invited about 3 600 logistics companies to express their views on the proposed planning parameters for, and activities to be undertaken, in the Lantau Logistics Park. Interested parties may also download the

Expression of Interest (EOI) document from www.logisticshk.gov.hk and submit their views. We completed the EOI exercise using existing resources.

3. We will further examine the future institutional set-up in the light of industry feedback on the operational characteristics and planning parameters of the Lantau Logistics Park.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)089

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1353

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Policy Address has identified families and business and young executive travellers as the key target segments for the next two years and proposed to earmark funding of \$500 million to promote the tourism industry. Of that lump sum, how much will be set aside for promoting Hong Kong's catering services? And what are the specific promotion plans and collaborative institutions in the catering sector?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

In 2005-06 and 2006-07, \$440 million has been earmarked for the Hong Kong Tourism Board (HKTB) to launch a series of strategic global publicity and promotion programmes. One of the key strategies is to target the family, business and young executive travellers to attract them to visit Hong Kong, lengthen their stay and stimulate spending. Dining and catering services will continue to feature in these promotions as one of Hong Kong's core appeals alongside the new attractions such as the Hong Kong Disneyland. As in the past, the HKTB will continue to work closely with the catering sector and trade associations and target the key visitor segments to promote themed and festive dishes and provide them with special offers. For example, the HKTB will promote vegetarian dishes in the new mega events with a culture and heritage theme and work with the catering industry to develop new products of special appeal to families.

In addition to the above, the *Best of the Best Culinary Awards* (the Awards) have served as an annual signature event in the past four years. Through the

participation of restaurants in the competition and the relevant promotions, the Awards enable the catering trade to showcase their special dishes and encourage visitors to experience gourmet dining and culture of Hong Kong. The Awards also offer a promotional platform for the winning restaurants to conduct their own marketing. In the coming year, the HKTB will work with the catering sector to explore new format for the competition to target the key visitor segments and encourage more participation by the trade, thereby maximising the benefits for the entire catering industry. As in previous years, the Board will publish the *Best of the Best Culinary Guide* after the competition and make use of various channels such as the HKTB website to help visitors locate the winning restaurants to sample their signature dishes.

The HKTB will continue to encourage more restaurants to join the Quality Tourism Services Scheme and co-operate with dining outlets accredited under the Scheme to create promotional platforms for them through the *Passports to Amazing Offers* and other programmes that aim to stimulate visitors' spending.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)090

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1404

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and
Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is stated in the Estimates that the Economic Development Branch will implement a public education campaign to foster a hospitable culture in Hong Kong in 2005-06. Please provide the estimated expenditure, objectives and details of the campaign.

Asked by : Hon. KWONG Chi-kin

Reply :

In 2005-06, we plan to use about \$6 m to continue the "Hong Kong Young Ambassador Scheme" (the Scheme), conduct a Service Quality Study (the Study), and organise sector-specific seminars and campaigns to promote quality service in the tourism and related sectors. The project plans are as follows:

(a) Hong Kong Young Ambassador Scheme

We will continue to organise the Scheme for the fifth year in 2005-06 and aim to recruit about 200 Young Ambassadors (YAs) aged 16 or above, studying either in Hong Kong or overseas. The YAs will undergo training in the summer and take part in a year long service programme that involves stationing at tourist spots, and organising and participating in promotional activities. The Scheme aims to increase the YAs' understanding of the rich culture of Hong Kong, inculcate a sense of belonging among them, and through contribution to tourism development, raise their awareness of the importance of a hospitable culture in the community.

(b) Service Quality Study

The Study is being conducted to identify visitors' expectation and perception of service quality of various key sectors of the tourism industry, including travel agents, retail shops, restaurants, airlines, hotels, railways, franchised buses, taxis and government departments, and the performance of these sectors in meeting the expectation of visitors. The Study will also identify sector-specific areas for improvement with a view to enhancing the overall quality of service of the tourism industry. In addition, self-assessment kits will also be developed to facilitate on-going efforts by the sectors to enhance service quality.

(c) Service Quality Seminars and Campaigns

Upon the completion of the Study at item (b), we plan to conduct a series of sector-specific seminars to share and discuss with the trade the findings and recommendations of the Study to encourage enhancement in service quality. In addition, we will organise, in collaboration with relevant organisations, a competition for the tourist guides to speak about the culture, fashionable activities and history of Hong Kong as they do to tourists. This competition aims to recognize the professionalism and contribution of tourist guides, encourage them to further enhance their service quality for the continuing promotion of the tourism industry in Hong Kong as a whole.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)091

Question Serial No.

1411

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

As shown in the document, the Economic Development Branch will "work to improve efficiency in existing port operations" in 2005-06. What specific measures will be taken to improve the efficiency? What is the Government's efficiency target? What are the resources involved?

Asked by : Hon. KWONG Chi-kin

Reply :

In 2005-06, to enhance port operation efficiency and competitiveness, we will improve boundary crossing to facilitate truck movements, and strengthen cooperation with the Guangdong authorities to reduce cross-boundary trucking cost to narrow the cost differential between Hong Kong and neighbouring ports. On physical infrastructure, the Government has completed the new boundary bridge between Lok Ma Chau and Huangang control points. We are also constructing the Hong Kong-Shenzhen Western Corridor and pursuing the Hong Kong-Zhuhai-Macao Bridge as a priority project. In parallel, we are analysing the views expressed by various sectors of the community on the Study on Hong Kong Port - Master Plan 2020. We will further consult the stakeholders in formulating the programme for implementing the recommendations. The above-mentioned cross-boundary infrastructure projects are dealt with by the concerned bureaux and departments. We will continue to use existing resources to pursue the other issues above.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)092

Question Serial No.

1440

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and
Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What are the details and estimated expenditure of the Northern New Territories Tourism Development Programme? How many tourists are expected to be attracted by the Programme and what economic benefits can be brought to the region?

Asked by : Hon. WONG Kwok-hing

Reply :

The Northern New Territories Green Tourism Development Programme (the Programme) will be implemented in stages. The pilot project under Stage One covers the Plover Cove and Tolo Channel area, and will include enhancement of basic facilities, development of an island-hopping sight-seeing itinerary, and complementary conservation and educational initiatives. As the proposed enhancement works are all minor items (e.g. pier facilities improvement, toilets, signage, shelters and seating facilities etc.), their costs will be met by the respective subject departments' minor works block allocation. The island-hopping sight-seeing itinerary is proposed by the Hong Kong Tourism Board (HKTB) which will collaborate with the tourism trade and the local communities concerned to explore the feasibility of different options. The Agriculture, Fisheries and Conservation Department will continue to implement conservation and education measures to ensure sustainable development.

The proposal under Stage Two of the Programme is to develop green tourism in Tung Ping Chau. We are collecting views on the development options. We will consider the comments received and draft a development plan for Tung Ping Chau for further consultation.

As assessed by the HKTB, the Programme will enhance the diversity of Hong Kong's tourism attractions. It will also help promote the long-term development of green tourism and meet the growing demand of the international market. If taken forward, the Programme, apart from fostering the local community economy in the Northern New Territories, will also encourage extended stay by visitors thereby benefiting the economy of Hong Kong as a whole.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)093

Question Serial No.

1441

Head : 145 Government Secretariat: Subhead :
 Economic Development and Labour Bureau
 (Economic Development Branch)

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
 (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What were the construction and maintenance costs for the “Heart Sutra Inscription Project” at Ngong Ping in Lantau during 2004-05? How many visitors are expected to be attracted? Has the Government carried out any publicity activities for the project? If yes, what are the details and costs of the publicity activities? Will any follow-up programmes be implemented in 2005-06? If yes, what are the costs and contents?

Asked by : Hon. WONG Kwok-hing

Reply :

The construction cost of the Heart Sutra Inscription Project (the Project) is about \$9.5 m and the estimated annual maintenance cost is about \$50,000.

The Project is scheduled for completion in the second quarter of 2005. The Tourism Commission is working with the University of Hong Kong and the Hong Kong Tourism Board (HKTB) on the promotional initiatives which will include launching activities, and publicity through Internet websites, publications and pamphlets, etc. The estimated expenditure is about \$200,000. In addition, the HKTB will promote the Project to the tourism trade and encourage them to incorporate the Project into their sight-seeing itineraries and cluster it with other tourism attractions in the vicinity of Ngong Ping. This will give visitors a completely new tourism experience combining both art and culture.

The visitors to Ngong Ping is expected to increase with the opening of the Tung Chung Cable Car System in early 2006. We believe that many of them will also visit the Project. The estimated patronage for the Tung Chung Cable Car System in the first year of operation is about 1.5 m.

Signature _____

Name in block
letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)094

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1442

Subhead :

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is indicated under Programme 6 that there is a reduced need for the provision of pamphlets in hard copies as the relevant information is now available on the Council's website. Will the Administration consider further reducing the distribution of pamphlets during 2005-06? How much does each pamphlet cost, and what is the overall cost?

Asked by : Hon. WONG Kwok-hing

Reply :

As the Consumer Council (CC) has uploaded more and more information on its website, the demand for pamphlets has been on the decrease –

Year	No. of pamphlets distributed
2002	35 000
2003	19 000
2004	12 000

Based on the demand in 2004, the CC estimates it will distribute about 12 000 copies of its pamphlets in 2005. The average cost for each copy of pamphlet is around \$1, and the total printing cost is estimated to be around \$12,000.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)095

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1446

Subhead :

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under Programme (5), the Administration's aim is to "maintain Hong Kong's position as the key tourist destination in Asia". What are the specific measures to achieve this aim? Will the Administration consider enhancing local cultural tourism projects such as "Gala Point" to attract Mainland and overseas tourists? If yes, what is the estimated expenditure for such projects? How will the local cultural tourism projects be enhanced? Has the Administration considered co-operating with neighbouring regions when promoting the local cultural attractions so as to make them more attractive?

Asked by : Hon WONG Kwok-hing

Reply :

To achieve the above policy objective, it has always been the government strategy to invest in new major tourism facilities, improve existing ones, enhance service quality, and promote Hong Kong worldwide.

In taking forward these strategies, we attach great importance to promoting local culture. One example is the Heart Sutra project which combines cultural and artistic elements. Another example is the Tung Chung Cable Car System which, when completed in early 2006, will link up Tung Chung and Ngong Ping, provide visitors with the view of Lantau Island's natural landscape en-route before their visits to the traditional, cultural and religious sites such as the Big Buddha, Po Lin Monastery and further to Tai O. Besides, the village at Ngong Ping, adjacent to the Ngong Ping Cable Car Terminal, will be a new tourist attraction with a cultural and religious setting. We have also established the Sun Yat Sen Historical Trail in Central and Western District. It is a cultural attraction with considerable historical interest. We will upgrade its facilities to complement the establishment of the Sun Yat Sen Museum in the same district. In addition, we will install identification signage at tourism spots with unique cultural interests, such as the Tsimshatsui Clock Tower, famous temples and walled villages, etc, to introduce their historical and cultural background. Funding has been allocated in previous years for the development of these new facilities.

In respect of the worldwide promotion of Hong Kong as the key tourist destination in Asia, the Hong Kong Tourism Board (HKTB) places strong emphasis on “culture and heritage” as one of the core strengths of Hong Kong to attract visitors –

- (a) on the promotion front, the HKTB leverages on traditional festivals and activities that promote local culture and cooperate with the relevant organisations to promote the rich and diverse cultural characteristics of Hong Kong. One example is the very popular *Cultural Kaleidoscope* programme, which is a cultural experience programme designed by the HKTB and jointly offered with different organisations. The programme offers an array of unique cultural tours and activities. In the coming year, the HKTB will continue to enhance the programme by including more elements of local cultures such as visits to factories that produce local snacks, appreciation of Chinese opera and architectural walks;
- (b) the HKTB proactively promotes major museums in Hong Kong through various channels such as the Internet and print media etc. Visitors can enjoy unlimited visits to museums within a week using the “Museum Pass”. The HKTB also plans to package existing tourism products, such as museums, with new tourism projects including the Hong Kong Disneyland, Hong Kong Wetland Park and Tung Chung Cable Car System, to target the family visitors. In 2006, new mega events with culture and heritage themes will be organised;
- (c) the HKTB plans to produce a railway sightseeing guide, which will promote clusters of local attractions in the vicinity of the railway stations along the East and West Rails, and introduce local delicacies and souvenirs to visitors;
- (d) the HKTB has been working closely with the Guangdong, Macau and the Pan Pearl River Delta provinces to promote the culture and heritage attractions in the region, by designing and promoting multi-destination itineraries in the international travel markets worldwide; and
- (e) the promotion of the East meets West culture as a characteristic of Hong Kong has been one of the key selling points in the overall marketing and promotion strategies of the HKTB.

In 2005-06, the estimated expenditure of the promotional activities as set out in (a) to (c) above is about \$12 million. As items (d) and (e) include various promotional themes, the HKTB has no breakdown of the estimated expenditure dedicated solely to the “culture” theme.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)096

Question Serial No.

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

1492

Subhead :

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and
Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Will the Bureau inform this Council the initiatives which will be taken by the Airport Authority to further improve airport services and enhance the airport's connectivity and competitiveness? What are the resources allocated in 2005 for these initiatives?

Asked by : Hon. YOUNG Howard

Reply :

The Government and the Airport Authority (AA) will continue to work together to implement various measures to enhance the facilities and services of the Hong Kong International Airport (HKIA). In respect of passenger services, the AA has commenced construction of the SkyPlaza, which will be connected with the passenger terminal building, to further enhance the airport's passenger handling capacity by providing additional check-in counters, transport interchange facilities and retail shops, and will construct five taxi-in/taxi-out aircraft parking stands for passenger aircraft for more speedy turnaround. In respect of cargo services, the AA is constructing four more freighter parking stands, bringing the total number of freighter stands to 25. Construction of Terminal 2 of the Asia Airfreight Terminal at the HKIA is in progress and will add 910 000 tonnes of cargo handling capacity per annum upon completion in 2006.

The AA is also expanding HKIA's passenger and cargo catchment area into the Pearl River Delta (PRD). For passengers, in addition to the cross-boundary coach services between the HKIA and over 40 PRD destinations, the network of high speed cross-boundary ferry services between the HKIA and PRD ports has

been further expanded in 2004 to serve a total of six ports, which provide fast and convenient intermodal connection for passengers transiting at the HKIA. For cargoes, the HKIA's Marine Cargo Terminal is providing efficient air – sea connection services to 17 ports in PRD to enable efficient movement of cargoes to/from PRD via HKIA.

With the exception of the cost of fitting-out works for supporting customs, immigration and quarantine services to be funded by the Government under Capital Works Reserve Fund Head 703 – Buildings, the aforesaid initiatives will be undertaken and financed by the AA either on its own or together with its business partners under prudent commercial principles. There are no resource implications for the Government.

To expand HKIA's aviation network, the Government will continue to work with our aviation partners to conclude new air services agreements and to expand traffic rights under existing agreements or arrangements. The expenses under Head 145 in 2005-06 for undertaking the work in this area are around \$4 m. The Government is responsible for air services negotiations to enable both local and overseas airlines to expand their network of services into and out of Hong Kong. This is complemented by the AA's marketing activities which promote the high quality services and market potential of the HKIA to airlines all over the world. The AA will also continue to offer landing charge rebates through the New Destination Incentive Arrangement to encourage airlines to develop new routes. The AA is responsible for financing its own activities and there are no resource implications for the Government.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 7.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)097

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1493

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much provision will be allocated to implement a public education campaign to foster a hospitable culture in Hong Kong in 2005-06? Are there any concrete plans and what are the performance targets set?

Asked by : Hon. YOUNG Howard

Reply :

In 2005-06, we plan to use about \$6 m to continue the "Hong Kong Young Ambassador Scheme" (the Scheme), conduct a Service Quality Study (the Study), and organise sector-specific seminars and campaigns to promote quality service in the tourism and related sectors. The project plans are as follows:

(a) Hong Kong Young Ambassador Scheme

We will continue to organise the Scheme for the fifth year in 2005-06 and aim to recruit about 200 Young Ambassadors (YAs) aged 16 or above, studying either in Hong Kong or overseas. The YAs will undergo training in the summer and take part in a year long service programme that involves stationing at tourist spots, and organising and participating in promotional activities. The Scheme aims to increase the YAs' understanding of the rich culture of Hong Kong, inculcate a sense of belonging among them, and through contribution to tourism development, raise their awareness of the importance of a hospitable culture in the community.

(b) Service Quality Study

The Study is being conducted to identify visitors' expectation and perception of service quality of various key sectors of the tourism industry, including travel agents, retail shops, restaurants, airlines, hotels, railways, franchised buses, taxis and government departments, and the performance of these sectors in meeting the expectation of visitors. The Study will also identify sector-specific areas for improvement with a view to enhancing the overall quality of service of the tourism industry. In addition, self-assessment kits will also be developed to facilitate on-going efforts by the sectors to enhance service quality.

(c) Service Quality Seminars and Campaigns

Upon the completion of the Study at item (b), we plan to conduct a series of sector-specific seminars to share and discuss with the trade the findings and recommendations of the Study to encourage enhancement in service quality. In addition, we will organise, in collaboration with relevant organisations, a competition for the tourist guides to speak about the culture, fashionable activities and history of Hong Kong as they do to tourists. This competition aims to recognize the professionalism and contribution of tourist guides, encourage them to further enhance their service quality for the continuing promotion of the tourism industry in Hong Kong as a whole.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)098

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1494

Subhead :

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much resource will be allocated to work with consumer associations in the Mainland to help tourists understand Hong Kong's market practice, and facilitate the handling of complaints lodged by consumers? Are there any performance targets set?

Asked by : Hon. YOUNG Howard

Reply :

Liaison with Mainland consumer organisations is an on-going activity of the Consumer Council (CC). Relevant provision has been included in the CC's operational expenses and has not been separately itemised in the annual estimates of expenditure.

The CC has not set separate performance targets with regard to its work in assisting consumer associations in the Mainland to handle enquiries or complaints from Mainland tourists visiting Hong Kong. But it compiles statistics on complaint cases from Mainland visitors. To promote mutual co-operation in the areas of consumer advice, complaint handling, information exchange, and consumer education, etc., the CC signed a memorandum of understanding (MOU) with consumer organisations in Beijing, Shanghai and Macau in December 2004, and a similar MOU will be signed with Fujian Province Consumer Council in the near future.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

7.4.2005

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)100

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1600

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What is the list of improvement projects on tourist attractions and facilities to be carried out this year and what are the specific improvement works involved? What are the estimated expenses of each project?

Asked by : Hon. CHAN Kam-lam

Reply :

We will continue to implement or commence the following tourism projects in 2005-06:

Project	Estimated Expenses (\$ million)	Details
Tsim Sha Tsui Promenade Beautification Project	183.2	The project covers the waterfront stretching from the open area south of Salisbury Road from Tsim Sha Tsui (TST) Star Ferry Pier Concourse, the Hong Kong Cultural Centre, the Hong Kong Museum of Art, and the promenade along the TST East waterfront up to the International Mail Centre. There will be upgraded hard and soft landscaping, reprovisioned street lighting, open space and facilities for leisure purposes, outdoor activities and performances. Works started in end August 2004 and will be completed in phases by mid 2006.
Stanley Waterfront Improvement Project	90.1	The project includes streetscape improvements along the waterfront promenade from Stanley Main Street to Pat Kan Uk, construction of a public pier outside Murray House, extension of the waterfront promenade outside Stanley Main

		Street, clearance of the squatters surrounding Shui Sin Temple, and improvements to the open space near Pat Kan Uk. Works commenced in August 2004 and will be completed in phases by late 2007.
--	--	--

Subject to approval of funds by the Finance Committee, we will also implement the following projects-

Project	Estimated Expenses (\$ million)	Details
Tourist District Enhancement Programme – The Peak	141.7	With the ‘Victorian’ theme as the design concept, we propose to beautify and enhance the open space outside Peak Galleria, the walking trails and the Victoria Peak Garden area. Proposed improvement works include streetscape improvement, street repaving, upgrading of street lighting and furniture etc. Subject to approval of funds, works will start in end 2005 for completion in end 2007.
Transport Link in Tsim Sha Tsui East	269.4	We propose to relocate the public transport interchange (PTI) outside the TST Star Ferry Pier to the Wing On Plaza Garden (WOPG) site in TST East and reprovision the WOPG on the podium deck above the new PTI. To enhance the linkage between the new PTI, the TST Promenade, the Kowloon-Canton Railway Corporation East TST Station and Middle Road Children’s Playground, we also plan to construct two footbridges across Chatham Road South and Salisbury Road respectively. Subject to approval of funds, works will start in mid 2005 for completion in early 2007.
Enhancement of public facilities at Ngong Ping, Lantau	55.1	We propose to upgrade the public piazza in front of Po Lin Monastery at Ngong Ping and provide additional ancillary facilities. Subject to approval of funds, we plan to start the works in early 2006 for completion in early 2007.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)101

Question Serial No.

1601

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and
Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What public education campaigns are to be implemented this year to foster a hospitable culture? Will there be any new ideas or mega publicity campaigns? What are the estimated expenses?

Asked by : Hon. CHAN Kam-lam

Reply :

In 2005-06, we plan to use about \$6 m to continue the "Hong Kong Young Ambassador Scheme" (the Scheme), conduct a Service Quality Study (the Study), and organise sector-specific seminars and campaigns to promote quality service in the tourism and related sectors. The project plans are as follows:

(a) Hong Kong Young Ambassador Scheme

We will continue to organise the Scheme for the fifth year in 2005-06 and aim to recruit about 200 Young Ambassadors (YAs) aged 16 or above, studying either in Hong Kong or overseas. The YAs will undergo training in the summer and take part in a year long service programme that involves stationing at tourist spots, and organising and participating in promotional activities. The Scheme aims to increase the YAs' understanding of the rich culture of Hong Kong, inculcate a sense of belonging among them, and through contribution to tourism development, raise their awareness of the importance of a hospitable culture in the community.

(b) Service Quality Study

The Study is being conducted to identify visitors' expectation and perception of service quality of various key sectors of the tourism industry, including travel agents, retail shops, restaurants, airlines, hotels, railways, franchised buses, taxis and government departments, and the performance of these sectors in meeting the expectation of visitors. The Study will also identify sector-specific areas for improvement with a view to enhancing the overall quality of service of the tourism industry. In addition, self-assessment kits will also be developed to facilitate on-going efforts by the sectors to enhance service quality.

(c) Service Quality Seminars and Campaigns

Upon the completion of the Study at item (b), we plan to conduct a series of sector-specific seminars to share and discuss with the trade the findings and recommendations of the Study to encourage enhancement in service quality. In addition, we will organise, in collaboration with relevant organisations, a competition for the tourist guides to speak about the culture, fashionable activities and history of Hong Kong as they do to tourists. This competition aims to recognize the professionalism and contribution of tourist guides, encourage them to further enhance their service quality for the continuing promotion of the tourism industry in Hong Kong as a whole.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)102

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1655

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer
Protection

Controlling Officer : Permanent Secretary for Economic Development and
Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What is the current operating condition of the Post Office Trading Fund? What
is its balance? Does the Fund perform satisfactorily?

Asked by : Hon. WONG Ting-kwong

Reply :

The Post Office Trading Fund (POTF), after five consecutive years of operating
deficits since 1998-99, achieved an operating profit of \$16.9 million in 2003-04.
We expect the POTF to breakeven in 2004-05.

The net assets value of the POTF as at 31 March 2004 was \$3,172 million.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)103

Question Serial No.

1701

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Out of the \$500 million earmarked by the Financial Secretary to promote tourism, how much will be allocated to the Hong Kong Tourism Board (HKTB) for promoting the local tourism industry? What projects will be carried out with the funds? Please provide the expenditure and detailed plan of each project.

Asked by : Hon. SIN Chung-kai

Reply :

The HKTB is the statutory body responsible for promoting Hong Kong as a tourist destination. With the completion and opening of various major tourism projects in Hong Kong in 2005-06, the Government will leverage on these new projects and capitalise on our competitive edge to launch, through the HKTB, the global marketing campaign and strategic promotion. Out of the \$500 m funding mentioned by the Financial Secretary in his Budget Speech, \$440 m has been earmarked to the HKTB for stepping up tourism promotion in the coming two years, including the launching of “2006 Discover Hong Kong Year” and a promotion programme targeted at family and business visitors.

“2006 Discover Hong Kong Year”

The HKTB will launch a global marketing campaign entitled “2006 Discover Hong Kong Year” (the Campaign), which comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a “must-visit” destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005 and 2006. Details of key deliverables are as follows:

- On trade promotion, the HKTB will promote the Campaign to the international travel trade and convince them that 2006 will be a very good time to visit Hong Kong, with a view to driving them to package and promote creative itineraries. Leading the series of trade related activities is a trade familiarisation visit for leaders of global media and trade organisations in May 2005.

- On consumer promotion, the HKTB will aggressively promote the Campaign to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade.
- On public relations activities, the HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on the Campaign.
- The HKTB will also collaborate with the retail, dining and travel sectors to introduce special privileges and offers during periods of mega events to stimulate visitor spending.

The estimated expenditure of the above initiatives is \$276 m for two years.

Promotion programme targeted at family and business visitors

The HKTB has identified families and business and young executive travellers as the key target segments for the next two years and will introduce brand new tourism products to suit their needs. In respect of family visitors, the HKTB will collaborate with the trade to create “edutainment” products suitable for families. Regarding business visitors, the HKTB will provide them with comprehensive and suitable travel information for them to participate in leisure activities, shopping and dining, with a view to extending their stay and stimulating spending, as well as encouraging them to bring their families to Hong Kong. The HKTB will also leverage on the mega events that are well received by visitors and organise targeted programmes and promotions for these segments during the event period. For example, during the summer holidays, the HKTB will use the Hong Kong Shopping Festival as a platform to launch night entertainment programme and late-night shopping and dining promotions and other activities that suit the tastes of families and business visitors.

To generate incremental arrivals, the HKTB will step up the overseas promotions on the events and offer attractive packages targeting these two segments so as to maximise their awareness and attract their visits to Hong Kong.

The estimated expenditure of the above initiatives is \$164 m for two years.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for Economic Development and Labour (Economic Development) _____

Date _____ 6.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)104

Question Serial No.

1702

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the \$500 million earmarked by the Financial Secretary to promote tourism, how will the Government monitor the use of this sum?

- (a) Will the Government require the Hong Kong Tourism Board (HKTB) to conduct independent audits of projects supported by the additional funding?
- (b) Will the Government require the HKTB to submit financial reports on such projects?
- (c) Will the Government require the HKTB to achieve specific results with such projects (e.g. number of tourists expected to be attracted by each project and the additional benefits to be brought to Hong Kong)?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) It has been an established practice for the Hong Kong Tourism Board (HKTB) to conduct independent audit on its account of income and expenditure, and to submit such audited account to the Government. The Government has asked the HKTB to conduct separate audit on the project items supported by additional funding.
- (b) It has also been an established practice for the HKTB to submit yearly financial report to the Government. The Government has similarly asked the HKTB to submit a separate financial report on the project items supported by additional funding.
- (c) The HKTB estimates that the global marketing campaign supported by additional funding would bring about 1.2 m incremental visitor arrivals, 2 m extended nights of stay and \$10 b economic benefits to the Hong Kong economy.

The HKTB compiles statistics at the end of every year on the number of visitors arrivals, their average length of stay and spending in Hong Kong etc. They will continue to do so annually in future. These will serve as an important basis for statistical analysis and research as well as formulation of marketing strategy.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 6.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)105

Question Serial No.

1703

Head : 145 Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the projects funded by the \$500 m earmarked by the Financial Secretary to promote tourism, how long does the Government expect them to last?

Asked by : Hon. SIN Chung-kai

Reply :

The Financial Secretary has earmarked \$500 m for the development and promotion of tourism in 2005-06 and 2006-07.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)106

Question Serial No.

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

1707

Subhead :

Programme : (1) Director of Bureau's Office

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please give a breakdown of the revised expenditure of the Director of Bureau's Office for the year 2004-05 and its estimated expenditure for the year 2005-06.

Asked by : Hon. SIN Chung-kai

Reply :

The estimated expenditure for the Office of the Secretary for Economic Development and Labour (SEDL) covers the salaries and allowances of SEDL and staff of his Office. The breakdown of the estimated expenditure by items and establishment of the SEDL's Office is as follows:

Revised Estimated Expenditure for 2004-05

SEDL's salary	\$ 3,232,000
Salary of six staff in SEDL's Office (include one Administrative Assistant, one Personal Assistant, one Executive Officer I, one Chauffeur, one Personal Secretary I and one Clerical Assistant)	\$ 2,650,000
Allowances	\$ 118,000
Total	\$6,000,000

Estimated Expenditure for 2005-06

SEDL's salary	\$ 3,232,000
Salary of six staff in SEDL's Office (include one Administrative Assistant, one Personal Assistant, one Executive Officer I, one Chauffeur, one Personal Secretary I and one Clerical Assistant)	\$ 2,550,000
Allowances	\$ 118,000
Total	\$5,900,000

Provision for 2005-06 is \$0.1 m lower than the revised estimate for 2004-05. This is mainly due to the full-year effect of the 2005 civil service pay cut.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)107

Question Serial No.

1708

Head : 145 Government Secretariat: Subhead :
 Economic Development and Labour Bureau
 (Economic Development Branch)

Programme : (6) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour
 (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

For assessing the cost-effectiveness of the Tsimshatsui Consumer Advice Centre, please advise:

1. the total number of enquiries and complaints made in person with the Consumer Advice Centre of the Consumer Council (CC) located in Tsimshatsui in 2004-05;
2. how many of these enquiries and complaints made in person are by tourists;
3. how does the number of enquiries and complaints made in person with that Centre compare with that of other Advice Centres; and
4. how much provision will be allocated to the Consumer Advice Centre of the CC in Tsimshatsui for 2005-06? Does it reflect any increase or decrease against that for 2003-04 and 2004-05?

Asked by : Hon. SIN Chung-kai

Reply :

1. In 2004, 1 279 complaint cases and 2 381 enquiries were lodged by consumers in person at the Advice Centre in the Consumer Council Resource Centre (CCRC) in Tsimshatsui.
2. Among the complaints received, 213 cases were lodged by tourists in person. As regards the enquiries made in person, the CC does not have itemised the number of enquiries made by tourists in person.
3. Compared with the other Advice Centres, the one at the CCRC in Tsimshatsui handled the highest number of enquiries and complaints made in person.
4. In 2005-06, the Advice Centre at the CCRC in Tsimshatsui is staffed with two complaints and enquiries officers. This is the same as the establishment for 2003-04 and 2004-05. As the personal emoluments for these two staff have been

included in the overall budget, the provisions for this Advice Centre are not separately accounted for in the CC's budget.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 7.4.2005 _____

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)108

Question Serial No.

1709

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Concerning the matters requiring special attention in 2005-06:

Please set out in detail the activities included in the marketing platform of “Hong Kong – Live it, Love it!” and the estimated expenditure involved.

Asked by : Hon. SIN Chung-kai

Reply :

“Hong Kong – Live it, Love it!” serves as the overall marketing platform used by the Hong Kong Tourism Board (HKTB) for promoting overseas, Hong Kong’s diversity and sophistication in shopping, dining, culture, heritage, festivals, city vibrancy, green attractions etc. All the HKTB’s marketing activities including trade promotions, consumer promotions and publicity in 16 key global markets, its advertising campaigns and media publicity, and various promotional items are using the “Hong Kong – Live it, Love it!” platform. In 2005-06, the HKTB will continue to use this marketing platform to promote Hong Kong and the estimated expenditure under the recurrent subvention is \$212 million.

Signature _____

Name in block
letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)109

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1710

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Concerning the matters requiring special attention in 2005-06:

“.....A new and special global publicity campaign will be launched with a series of worldwide publicity and promotional activities, targeting the consumers, the trade as well as the media....of which about \$160 million is expected to be spent in 2005-06;”
(paragraph 29)

- a. Please provide the details of the above-mentioned global publicity campaign and the estimated expenditure involved in each item.
- b. What are the specific differences between this campaign and the “Hong Kong – Live it, Love it!” marketing platform? Will there be any duplication of resources?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) The new and special global publicity campaign to be launched by the Hong Kong Tourism Board (HKTB) refers to a campaign entitled “2006 Discover Hong Kong Year” (the Campaign), which comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a “must-visit” destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005-06. Details of key deliverables are as follows:

- On trade promotion, the HKTB will promote the Campaign to the international travel trade that 2006 will be a very good time to visit Hong Kong, and invite them to package and promote creative itineraries for visitors to Hong Kong. Leading the series of trade related activities is a trade familiarisation visit for leaders of global media and trade organisations in May 2005.

- On consumer promotion, the HKTB will vigorously promote the Campaign to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade.
- On public relations activities, the HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on the Campaign.
- The HKTB will also collaborate with the retail, dining and travel sectors to introduce special offers during periods of mega events to stimulate visitor spending.

The estimated expenditure allocated for this Campaign is \$160 m in 2005-06. The breakdown by the nature of promotional activities is as follows:

- Trade promotions : \$16 m
- Consumer promotions : \$96 m
- Publicity and PR : \$11 m
- Others : \$37 m

- (b) “Hong Kong – Live it, Love it!” serves as the overall marketing platform used by the HKTB for overseas promotion of Hong Kong’s diversity and sophistication in shopping, dining, culture, heritage, festivals, city vibrancy, green attractions etc. All the HKTB’s marketing activities including trade promotions, consumer promotions and publicity in 16 key global markets, its advertising campaigns and media publicity, and various promotional items are using the “Hong Kong – Live it, Love it!” platform.

The “Hong Kong – Live it, Love it!” is a multi-targeted long-term marketing platform with no time limit, making the theme of the HKTB’s promotions clear and coherent and giving visitors a deeper impression. It is different in nature from the “2006 Discover Hong Kong Year” which is a two-year global promotional campaign that leverages on the opening of various major tourism projects in 2005-06 to showcase our new attractions and new image globally. It will help break through the image of Hong Kong as a shopping paradise and culinary capital of Asia and offer rich and brand new experience for our visitors. Its promotion and message are very focused, and aim at attracting more visitors to come in 2006. There is no duplication of resources between this campaign and that for “Hong Kong – Live it, Love it!”.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)110

Question Serial No.

1711

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Concerning the matters requiring special attention in 2005-06:

“...launching a series of enhanced mega events, new products and promotional activities with particular appeal to business and family visitor segments which have clear development potential ... of which about \$76 million is expected to be spent in 2005-06;” (paragraph 29)

- (a) Please provide the details of the above-mentioned marketing plan and the estimated expenditure involved in each item.
- (b) What are the specific differences between this marketing plan and the “Hong Kong – Live it, Love it!” marketing platform? Will there be any duplication of resources?

Asked by : Hon. SIN Chung-kai

Reply :

- (a) To stimulate growth in visitor arrivals and tourism spending, in particular for the family and business segments, the Hong Kong Tourism Board (HKTB) proposes to launch a series of strategic promotion and programmes to further enhance these visitors' experience in Hong Kong. To achieve this objective, the HKTB will leverage on the mega events that are well received by visitors and introduce products and promotions targeting the family and business segments. For example, during the summer holidays, the HKTB will use the Hong Kong Shopping Festival as a platform to launch night entertainment programme and late-night shopping and dining promotions and other activities for these two segments to enrich their experience, extend their stay and stimulate spending. To generate incremental arrivals, the HKTB will step up the overseas promotions on the events and offer attractive packages targeting these two segments so as to maximise their awareness and attract them to visit Hong Kong.

It is a time-limited programme for a period of two years. In 2005-06, the breakdown of HKTB's estimated expenditure in this respect by market segments (including relevant promotion) is as follows:

Family Segment –

- Estimated expenditure: \$39 m
 - Event programme and promotions: \$27 m
 - Overseas promotions: \$12 m

Business Segment (including young executives) –

- Estimated expenditure: \$37 m
 - Event programme and promotions: \$26 m
 - Overseas promotions: \$11 m

- (b) “Hong Kong – Live it, Love it!” serves as the overall marketing platform used by the HKTB for overseas promotion of Hong Kong’s diversity and sophistication in shopping, dining, culture, heritage, festivals, city vibrancy, green attractions etc. All the HKTB’s marketing activities including trade promotions, consumer promotions and publicity in 16 key global markets, its advertising campaigns and media publicity, and various promotional items are using the “Hong Kong – Live it, Love it!” platform.

“Hong Kong – Live it, Love it!” is a multi-targeted long-term marketing platform with no time limit, making the theme of the HKTB’s promotions clear and coherent and giving visitors a deeper impression. It is different in nature from the above mentioned programme which is a thematic promotion that strategically targets the family and business visitors, and will last for two years. To attract these two high potential groups to visit Hong Kong and to enrich their travelling experience, the programme includes promotion of a number of new tourism products and mega events for family and business visitors. There is no duplication of resources between this programme and that for “Hong Kong – Live it, Love it!”.

Signature _____

Name in block
letters _____

MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
7.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)111

Question Serial No.

1712

Head : 145: Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Concerning the matters requiring special attention in 2005-06:

To “improve visitor satisfaction with enhanced visitor services such as relocation of the Visitor Information and Services Centre”, what are the concrete plans the Administration have in mind? What is the expenditure involved?

Asked by : Hon. SIN Chung-kai

Reply :

To enhance visitor services, the Hong Kong Tourism Board (HKTB) has relocated its Hong Kong Island Visitor Information and Services Centre (VS Centre) from The Centre in Central to Causeway Bay MTR Station in March this year. Causeway Bay MTR Station is one of the highest tourism traffic points on Hong Kong Island. The new VS Centre is easily accessible and should be able to provide customer services and travel information to more visitors. Moreover, the HKTB has extended the operating hours of the VS Centres in Causeway Bay and Tsim Sha Tsui Star Ferry Terminal Concourse by two hours to 8:00pm. HKTB will use existing resources to provide the above enhanced service.

In 2005-06, the HKTB will implement a number of initiatives to continuously strengthen visitor services, including introducing new information dissemination channels such as personal digital assistant and mobile phones to increase visitor reach, working with strategic partners such as hotels and transportation companies to further enhance the information distribution network, and strengthen meet-and-greet services at the entry points. The estimated expenditure for these initiatives is about \$6.4 m.

Signature _____

Name in block
letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)112

Question Serial No.

1713

Head : 145 Government Secretariat: Subhead :
Economic Development and Labour Bureau
(Economic Development Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

It is mentioned that a “new and special global publicity campaign will be launched” by the Hong Kong Tourism Board (HKTB) in 2005-06 “with a series of worldwide publicity and promotional activities, targeting the consumers, the trade as well as media.” Regarding this campaign, please provide the following information:

1. What are the detailed contents and schedule of preparation of this publicity campaign? Will the campaign be taken up internally by Government departments or by the private sector through outsourcing? If the latter is the case, what is the timetable of the tender exercise?
2. How is the expected spending of \$160 million in 2005-06 be used? As it is called a global publicity campaign, what countries/regions are to be included? What are the publicity expenses allocated for each country/region?

Asked by : Hon. KWONG Chi-kin

Reply :

The new and special global publicity campaign to be launched by the HKTB refers to a campaign entitled “2006 Discover Hong Kong Year” (the Campaign), which comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a “must-visit” destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005-06. Details of key deliverables are as follows:

- On trade promotion, the HKTB will promote the Campaign to the international travel trade that 2006 will be a very good time to visit Hong Kong, and invite them to package and promote creative itineraries for visitors to Hong Kong.
- On consumer promotion, the HKTB will vigorously promote the Campaign to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade.

- On public relations activities, the HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on the Campaign.
- The HKTB will also collaborate with the retail, dining and travel sectors to introduce special offers during periods of mega events to stimulate visitor spending.

To ensure smooth launching of the Campaign, considerable preparatory work and promotions will commence in 2005. Firstly, the HKTB will kick start a series of trade-related activities in the second quarter of 2005 and one of the highlights is the trade familiarisation visit for leaders of global media and trade organisations. In the third quarter, global PR and consumer promotions will be launched. Mega events and activities are organised in-house by the HKTB while specific services and products are provided by external suppliers. In selecting and appointing the suppliers, the HKTB follows an established set of rules and procedures as well as monitoring mechanism. The selection process will be conducted in accordance with the time-frame of the events concerned.

The estimated expenditure allocated for this Campaign is \$160 m in 2005-06. The breakdown by the nature of promotional activities is as follows:

- Trade promotions : \$16 m
- Consumer promotions : \$96 m
- Publicity and PR : \$11 m
- Others : \$37 m

The HKTB will implement the global marketing campaign in the market regions as set out below. In 2005-06, out of the \$160 m additional funding, \$85 m will be spent directly in these markets for promotions as follows:

- Mainland China: \$22 m
- Taiwan: \$4 m
- North Asia: \$15 m
- South & Southeast Asia: \$10 m
- Australia, New Zealand & South Pacific: \$3 m
- The Americas: \$17 m
- Europe, Africa and the Middle East: \$14 m

The rest will be spent on global promotion and related work.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 7.4.2005 _____

a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a “must-visit” destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005 and 2006. Details of key deliverables are as follows:

- On trade promotion, the HKTB will promote the Campaign to the international travel trade that 2006 will be a very good time to visit Hong Kong, and invite them to package and promote creative itineraries for visitors to Hong Kong. Leading the series of trade related activities is a trade familiarisation visit for leaders of global media and trade organisations in May 2005.
- On consumer promotion, the HKTB will vigorously promote the Campaign to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade.
- On public relations activities, the HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on the Campaign.
- The HKTB will also collaborate with the retail, dining and travel sectors to introduce special offers during periods of mega events to stimulate visitor spending.

The objectives and nature of the above two promotional campaigns are different and have no duplications.

Through different surveys and studies, including visitor exit survey, in-market study, visitor spending survey, and assessment of economic conditions of different markets, etc., the HKTB will define the target visitor segments with high potential, understand their travel and spending patterns, their propensity to spend and their interests, etc. According to the survey, 36% of overnight vacation visitors are young couples with children, but only 24% of them bring along their children when visiting Hong Kong, indicating that the family segment has good growth potential. As for the business segment, about 25% of all overnight visitors are business travellers. The proportion for the long-haul markets and Japan is even higher, which exceeds 35%. In addition, the average per capita spending of business visitors is 20% more than the average visitors, so this segment also has strong growth potential.

In 2005-06, apart from targeting family and business visitor segments in conducting the strategic promotions, the HKTB will continue to focus on 16 identified key markets in different regions worldwide, including China, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, India, Australia, US, Canada, UK, Germany and France. The HKTB will deploy resources for promotion according to the characteristics and demand of these different markets as it is essential to maintain a balanced portfolio of visitors to ensure sustainable development of the tourism industry.

Signature _____

Name in block letters _____
MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____
7.4.2005

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 6.4.2005 _____

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)115

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1825

Subhead :

Programme: (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Would the Administration please inform us of the funding earmarked for the work in relation to the Northern New Territories Tourism Development Programme under this programme in 2005-06, and what are the details of the work involved?

Asked by : Hon. TONG Ka-wah

Reply :

We plan to implement the pilot project under Stage One of the Northern New Territories Green Tourism Development Programme in 2005-06. The project scope covers the Plover Cove and Tolo Channel area, and will include enhancement of basic facilities, development of an island-hopping sight-seeing itinerary, and complementary conservation and educational initiatives.

As the proposed enhancement works are all minor items (e.g., pier facilities improvement, toilets, signage, shelters and seating facilities etc.), their costs will be met by the respective subject departments' minor works block allocation. The island-hopping sight-seeing itinerary is proposed by the Hong Kong Tourism Board which will collaborate with the tourism trade and the local communities concerned to explore the feasibility of different options. The Agriculture, Fisheries and Conservation Department will continue to implement conservation and education measures to ensure sustainable development.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)116

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1826

Subhead :

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under this programme , the Administration indicates that the feasibility study of the Lantau Logistics Park project will be completed in 2005-06. Will the Administration inform us of the breakdown of expenditure within the provision earmarked for this as well as the specific work details?

Asked by : Hon. TONG Ka-wah

Reply :

The feasibility study of the Lantau Logistics Park project covers various (including environmental and traffic) impact assessments to fulfil the statutory requirements for the subsequent zoning and reclamation of the site. The study costs around \$7.2 m.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)117

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1829

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under this programme, the Administration indicates that they will conduct consultation with the public and consider options for the future development of the electricity market after the expiry of the current Scheme of Control Agreements in 2008. Will the Administration inform us of the breakdown of expenditure within the provision earmarked for this in 2005-06 as well as the specific work details?

Asked by : Hon. TONG Ka-wah

Reply :

We are now seeking the public's views on options for development of the post-2008 electricity market under Stage 1 of the public consultation. We will consider the views collected by the end of the three-month consultation on 30 April 2005, map out the framework for development of the future electricity market, and then consult the public again under Stage 2 of the consultation at the latter half of this year. We will make public the views received.

The resources required for conducting public consultation and mapping out the framework for development of the future electricity market have been included in the overall provisions for Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to energy policy and cannot be separately itemised. No additional resources have been allocated for Programme (3) for undertaking the above work in 2005-06.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 6.4.2005

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)118

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

1833

Subhead :

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

As regards the Government's measures to promote fair competition on automobile fuel, when are they expected to be launched at the earliest? Apart from automobile fuel, are there any other industries or products on which the Government is conducting or plans to conduct study to promote fair competition? If yes, when will these studies be finished?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

We are in the process of recruiting consultants to conduct a study to assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. The study will look into the structure, operating costs and retail pricing, etc. of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by these economies in tackling anti-competitive behaviour of oil companies. The consultant will also make recommendations on whether measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong. The study is expected to start in mid 2005 and be completed in the latter half of the year.

At the moment we do not plan to conduct similar studies on the competition situation in other industries or products.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

6.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)119

Question Serial No.

1834

Head : 145 Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead :

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

What is the progress of the Government's discussion, initiated in 2004-05, with the Guangdong authorities on measures to reduce cross-boundary trucking cost? What areas of achievement have been made? As the Administration will proceed with the work concerned in 2005-06, which areas are expected to be in need of improvement? Which departments in the Guangdong Province are involved in the discussion?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

Key issues affecting cross-boundary trucking cost include the "4-up-4-down" and "1-truck-1-driver" rules, the indirect truck licensing scheme and inland customs services. We have pursued the above issues with the Mainland Customs General Administration and relevant authorities in Guangdong (GD), and have achieved initial results.

The Mainland Customs has relaxed the "4-up-4-down" rule starting from 1 January 2005.

On the "1-truck-1-driver" rule, the GD authorities have agreed to allow cross-boundary container trucks to apply for reserve drivers in addition to the assigned drivers. They will implement the new measure when formal approval is granted by the provincial government.

On the regulation of cross-boundary trucking enterprises, we have discussed the industry's proposals regarding the "licence quota scheme" and related arrangements with the GD side. As an initial response, the GD side has agreed to simplify the procedures so that the licence period will be extended from three to five years. The average annual licence fee (approximately RMB 33,000) will remain unchanged. The

GD side will implement the new measure when formal approval is granted by the provincial government.

On improvements to customs services, the GD side has agreed to extend customs operating hours according to cargo volume and practical needs of different regions. The operating hours of a selected control point at Jiangmen will be extended to midnight on a trial basis.

In 2005-06, we will continue to discuss with the Guangdong Port Administration Office measures to reduce cross-boundary trucking cost through further improvements on the licensing, regulation and customs clearance of Hong Kong cross-boundary container trucks. The Economic Development and Labour Bureau has not allocated additional funding in 2005-06 for this task. We will continue to use existing resources to pursue the above issues.

Signature _____

Name in block
letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development) _____

Date _____ 4.4.2005 _____

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)120

Question Serial No.

0084

Head : 168 Hong Kong Observatory Subhead:

Programme: (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Economic Development and Labour

Question :

The performance measures set out for 2005 targets include the percentage of forecasts perceived as accurate by the public, the percentage of accurate public forecasts as verified by objective means, the percentage of accurate forecasts as assessed by ship captains, and the percentage of accurate forecasts as assessed by airline operators. Will the Administration and the Observatory be able to raise the targets of these performance measures on the basis of the actual performance in 2004 and 2005?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The complexity and changeability of the weather vary from year to year. The more complex and changeable the weather, the greater the difficulty in forecasting accurately, and accordingly the lower the accuracy as assessed by objective means or by users. It is therefore not appropriate to set annual targets based only on the accuracy achieved in the past one or two years. In setting its annual targets, the Hong Kong Observatory (HKO) has made reference to the forecast accuracy over an extended period of time. The HKO fully understands the need to strive for higher performance targets, and will constantly review whether there is any room for raising such targets.

Signature _____

Name in block letters _____ **K H YEUNG**

Post Title Acting Director of the Hong Kong Observatory

Date _____ 4.4.2005

Reply Serial No.

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)121

Question Serial No.

Head : 168 Hong Kong Observatory Subhead:

0085

Programme: (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Economic Development and Labour

Question :

Under Matters Requiring Special Attention in 2005-06, it is stated that the Observatory will “continue to develop the new generation of numerical weather prediction model, with an emphasis on very short-range forecasting of heavy rain, through integration with the operational nowcasting system” and “continue to enrich the contents of the Observatory’s website in response to the evolving needs of the public and further develop the delivery of weather services through the Internet”. Will the Administration elaborate on the contents of the foregoing programmes? Will it further release the weather forecast data to the public? Please also explain clearly the principles and justifications on which decisions on issuing weather warning signals are based as well as associated forecasting basis.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The new generation numerical prediction model system uses high-performance computer to simulate the evolution of the atmosphere by solving a set of physical and mathematical equations with frequent incorporation of the latest observational data including radar and satellite data. The nowcasting system is a system primarily based on radar data to provide rainfall forecasts over Hong Kong up to a few hours ahead. Work on the development of the new generation model and its merging with the nowcasting system is underway. It aims to provide objective guidance to forecasters in forecasting the possible occurrence of heavy rain in the next few hours.

At present, the Hong Kong Observatory (HKO) provides a fairly broad range of meteorological information on its website which includes weather reports, weather forecasts and weather warnings. In 2005-06, the HKO plans to enhance the provision of such information in several areas, such as wind speed and direction information at additional locations, lightning location information as well as additional numerical model upper-air forecasts charts.

The weather warning service of the HKO is based on scientific analysis of local data and complex information obtained through satellites and other meteorological centres. Different sets of criteria are adopted for the issuance of different types of weather warnings, which have already been spelt out clearly in the HKO’s website and in leaflets for the public such as ‘Hong Kong Tropical Warning Signals’, ‘The Strong Monsoon Signal’, ‘Rainstorm Warning System’, and ‘Thunderstorm Warning’, etc. In

designing such criteria, the primary principle adopted by the HKO is protection of public safety.

Signature _____
Name in block letters K H YEUNG
Post Title Acting Director of the Hong Kong Observatory
Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)122

Head : 168 Hong Kong Observatory Subhead :

Question Serial No.

Programme: (1) Weather Services

0861

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the accuracy of weather forecasts perceived by the public and that verified by objective means, the estimated rates for 2005 are lower than those for 2004. What are the reasons for this? Is there anything to do with the deletion of civil service posts to reduce expenditure?

Asked by : Hon. CHAN Kam-lam

Reply :

The complexity and changeability of the weather vary from year to year. The more complex and changeable the weather, the greater the difficulty in forecasting accurately, and accordingly the lower the accuracy as assessed by objective means or by users. In setting its targets for 2005, the Hong Kong Observatory (HKO) has considered not only the forecast accuracy set for 2004 but also the forecast accuracy over an extended period of time.

In 2005-06, the HKO plans to delete one clerical grade post only, which has no bearing on forecast accuracy.

Signature _____

Name in block letters _____

K H YEUNG

Post Title _____

Acting Director of the Hong Kong Observatory

Date _____

4.4.2005

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)123

Question Serial No.

Head : 168 Hong Kong Observatory Subhead :

0862

Programme: (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the accuracy of weather forecasts provided to the shipping community and aviation groups, the estimated rates for 2005 are lower than those for 2004. What are the reasons for this? What is the increase/decrease in resources to be put into the use of technology to enhance the aviation weather service in 2005 as compared with 2004? In what aspects will the foregoing provision be allocated in order to improve the service level effectively?

Asked by : Hon. CHAN Kam-lam

Reply :

The complexity and changeability of the weather vary from year to year. The more complex and changeable the weather, the greater the difficulty in forecasting accurately, and accordingly the lower the accuracy. In setting its annual targets, the Hong Kong Observatory (HKO) has considered not only the forecast accuracy set for 2004 but the forecast accuracy over an extended period of time.

In 2005-06, the HKO plans to spend about \$5.3 m on strengthening its weather services, which is about \$4.6 m less than that in 2004-05. The main reason is that some projects straddle two or more financial years and are close to completion in 2005-06. The bulk of the expenditure for these projects was therefore incurred in 2004-05. The expenses are mainly funded under Capital Works Reserve Fund Head 708 Capital Subventions and Major Systems and Equipment and Head 710 Computerisation, instead of Head 168 Hong Kong Observatory.

The expenditure for the coming year will primarily be incurred for researching new technology for the exchange of meteorological information with aircraft to enhance the level of the aviation weather service; and for acquiring the lightning location system and the backup Light Detection and Ranging system for enhancing thunderstorm warning services and the capability of detection of windshear at the airport.

Signature _____
Name in block letters K H YEUNG
Post Title Acting Director of the Hong Kong Observatory
Date 4.4.2005

Examination of Estimates of Expenditure 2005-06
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

EDLB(ED)124

Question Serial No.

0863

Head 168 : Hong Kong Observatory Subhead :

Programme: (3) Time Standard and Geophysical Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Economic Development and Labour

Question :

The estimated geophysical, meteorological and oceanographical data capture rate for 2005 is lower than that for 2004. What are the reasons for this? Is it necessary to put more resources into the procurement of scientific instruments for detecting natural disasters like earthquake and tsunami?

Asked by : Hon. CHAN Kam-lam

Reply :

The Hong Kong Observatory (HKO) expects that the geophysical, meteorological and oceanographical data capture rate in 2005 will be about 3% lower than that in 2004. The main reason is that the geostationary meteorological satellite, which sends out signals, is operating beyond its designed life. Since early 2005, the HKO has experienced difficulty occasionally in the reception of signals from the satellite and that results in a slightly lower data capture rate. The situation will be improved in mid-2005 when the new replacement satellite is put into operation.

As for procurement of scientific instruments, the HKO will acquire a broad-band seismograph in 2005-06 to replace the existing long-period seismograph which has been used for a long period of time, so as to maintain the capability of earthquake monitoring. Tsunami monitoring requires regional co-operation and HKO will keep abreast with the development of tsunami monitoring in the region and co-operate as appropriate.

Signature _____

Name in block
letters _____

K H YEUNG

Post Title Acting Director of the Hong Kong Observatory

Date 4.4.2005