

**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2004-05**

Director of Bureau : Secretary for Economic Development and Labour

Session No. : 16

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Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
EDLB(ED)001	0644	FUNG Kin-kee, Frederick	22	Nature Conservation and Country Parks
EDLB(ED)002	1411	LAW Chi-kwong	22	Nature Conservation and Country Parks
EDLB(ED)003	0231	YEUNG Sum	28	Not applicable
EDLB(ED)004	0246	YOUNG Howard	28	Air Traffic Management
EDLB(ED)005	0247	YOUNG Howard	28	Air Traffic Management
EDLB(ED)006	0248	YOUNG Howard	28	Air Traffic Management
EDLB(ED)007	0249	YOUNG Howard	28	Air Services
EDLB(ED)008	0250	YOUNG Howard	28	Air Services
EDLB(ED)009	0251	YOUNG Howard	28	Engineering and Systems
EDLB(ED)010	0297	YOUNG Howard	28	Not applicable
EDLB(ED)011	0678	HUI Cheung-ching	28	Air Services
EDLB(ED)012	0679	HUI Cheung-ching	28	Air Traffic Management
EDLB(ED)013	0709	CHAN Kam-lam	28	Not applicable
EDLB(ED)014	1063	CHAN Wai-yip, Albert	28	Air Services
EDLB(ED)015	1065	LAU Chin-shek	42	Energy supply; electrical, gas and nuclear safety
EDLB(ED)016	1066	LAU Chin-shek	42	Energy supply; electrical, gas and nuclear safety
EDLB(ED)017	1474	LI Fung-ying	42	Energy supply; electrical, gas and nuclear safety
EDLB(ED)018	1528	WONG Yung-kan	43	Port and Marine Facilities
EDLB(ED)019	0804	LAU Kin-yea, Miriam	100	Infrastructure
EDLB(ED)020	0805	LAU Kin-yea, Miriam	100	Local Services
EDLB(ED)021	0806	LAU Kin-yea, Miriam	100	Local Services
EDLB(ED)022	0084	HO Sau-lan, Cyd	145	Air and Sea Communications and Logistics Development Posts, Power, Competition Policy and Consumer Protection Public Safety Travel and Tourism
EDLB(ED)023	0114	LAU Wai-hing, Emily	145	Subventions: Consumer Council
EDLB(ED)024	0117	LAU Wai-hing, Emily	145	Not applicable
EDLB(ED)025	0118	LAU Wai-hing,	145	Not applicable

		Emily		
EDLB(ED)026	0119	LAU Wai-hing, Emily	145	Not applicable
EDLB(ED)027	0120	LAU Wai-hing, Emily	145	Travel and Tourism
EDLB(ED)028	0306	YOUNG Howard	145	Air and Sea Communications and Logistics Development
EDLB(ED)029	0307	YOUNG Howard	145	Air and Sea Communications and Logistics Development
EDLB(ED)030	0308	YOUNG Howard	145	Air and Sea Communications and Logistics Development
EDLB(ED)031	0309	YOUNG Howard	145	Travel and Tourism
EDLB(ED)032	0310	YOUNG Howard	145	Travel and Tourism
EDLB(ED)033	0311	YOUNG Howard	145	Travel and Tourism
EDLB(ED)034	0312	YOUNG Howard	145	Travel and Tourism
EDLB(ED)035	0313	YOUNG Howard	145	Subventions: Consumer Council
EDLB(ED)036	0314	YOUNG Howard	145	Subvention: Hong Kong Tourism Board
EDLB(ED)037	0315	YOUNG Howard	145	Subvention: Hong Kong Tourism Board
EDLB(ED)038	0564	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)039	0565	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)040	0566	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)041	0740	TING Woo-shou, Kenneth	145	Air and Sea Communications and Logistics Development
EDLB(ED)042	0742	TING Woo-shou, Kenneth	145	Air and Sea Communications and Logistics Development Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)043	0750	TIEN Pei-chun, James	145	Air and Sea Communications and Logistics Development
EDLB(ED)044	0751	TIEN Pei-chun, James	145	Travel and Tourism
EDLB(ED)045	0752	TIEN Pei-chun, James	145	Travel and Tourism
EDLB(ED)046	0753	TIEN Pei-chun, James	145	Subvention: Hong Kong Tourism Board
EDLB(ED)047	0754	TIEN Pei-chun,	145	Not applicable

		James		
EDLB(ED)048	0863	SIN Chung-kai	145	Director of Bureau's Office
EDLB(ED)049	0864	SIN Chung-kai	145	Not applicable
EDLB(ED)050	0865	SIN Chung-kai	145	Not applicable
EDLB(ED)051	0909	LEE Chu-ming, Martin	145	All Programmes
EDLB(ED)052	0983	HUI Cheung-ching	145	Subvention: Hong Kong Tourism Board
EDLB(ED)053	0985	TING Woo-shou, Kenneth	145	Air and Sea Communications and Logistics Development Posts, Power, Competition Policy and Consumer Protection Public Safety Travel and Tourism
EDLB(ED)054	0988	TING Woo-shou, Kenneth	145	Air and Sea Communications and Logistics Development
EDLB(ED)055	1076	LAU Chin-shek	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)056	1077	LAU Chin-shek	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)057	1121	LAU Wai-hing, Emily	145	Subventions: Consumer Council
EDLB(ED)058	1125	LAU Wai-hing, Emily	145	Subvention: Hong Kong Tourism Board
EDLB(ED)059	1200	LI Wah-ming, Fred	145	Subventions: Consumer Council
EDLB(ED)060	1201	LI Wah-ming, Fred	145	Subventions: Consumer Council
EDLB(ED)061	1202	LI Wah-ming, Fred	145	Subventions: Consumer Council
EDLB(ED)062	1203	LI Wah-ming, Fred	145	Subventions: Consumer Council
EDLB(ED)063	1205	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)064	1206	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)065	1296	SIN Chung-kai	145	All programmes
EDLB(ED)066	1663	CHAN Kam-lam	145	Subvention: Hong Kong Tourism Board
EDLB(ED)067	1664	CHAN Kam-lam	145	Travel and Tourism
EDLB(ED)068	1665	CHAN Kam-lam	145	Travel and Tourism
EDLB(ED)069	1666	CHAN Kam-lam	145	Travel and Tourism
EDLB(ED)070	1667	CHAN Kam-lam	145	Public Safety
EDLB(ED)071	1714	LEUNG Fu-wah	145	Travel and Tourism

EDLB(ED)072	1715	LEUNG Fu-wah	145	Subvention: Hong Kong Tourism Board
EDLB(ED)073	1735	LAU Chin-shek	145	Air and Sea Communications and Logistics Development
EDLB(ED)074	1582	SIN Chung-kai	168	Weather Services

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

Reply Serial No.

EDLB(ED)001

Question Serial No.

0644

Head: 22 Agriculture, Fisheries and Conservation Department

Subhead:

Programme: (2) Nature Conservation and Country Parks

Controlling Officer: Director of Agriculture, Fisheries and Conservation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under this programme, it is mentioned that in 2004-05, the Agriculture, Fisheries and Conservation Department will give emphasis to the planning and development of Hong Kong Wetland Park. In this connection, will the Government inform this Council of:-

- (i) the details of this task; and
- (ii) the number of staff involved in this task?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Hong Kong Wetland Park (HKWP) project is a millennium capital works project designated by the Government. Built upon the Ecological Mitigation Area (EMA) in Tin Shui Wai, HKWP will be a world-class conservation, education and tourism facility. The primary objective of the HKWP is to create a visitor attraction catering both for the general public and visitors, particularly for those with special interest in wildlife and ecology. The HKWP will also act as a buffer between Tin Shui Wai and Mai Po Inner Deep Bay Ramsar Site.

The Phase 1 of the HKWP was completed and opened to the public in December 2000. Phase 2 of the project will be completed in late 2005.

A provision of \$1.4 m has been made in 2004-05 for one Forestry Officer, one Field Officer I and one Senior Field Officer and related departmental expenses.

Signature _____

Name in block letters THOMAS C Y CHAN

Post Title Director of Agriculture,
Fisheries and Conservation

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)002
Question Serial No.
1411

Head: 22 Agriculture, Fisheries and Conservation Department Subhead:

Programme: (2) Nature Conservation and Country Parks

Controlling Officer: Director of Agriculture, Fisheries and Conservation

Director of Bureau: Secretary for Economic Development and Labour

Question:

What are the estimated total expenditure, breakdown and staffing in 2004-05 for the planning and development of the Hong Kong Wetland Park?

Asked by: Hon. LAW Chi-kwong

Reply:

A sum of \$1.4 m has been allocated for the planning and development of the Hong Kong Wetland Park in 2004-05. This includes one Forestry Officer, one Field Officer I and one Senior Field Officer. The breakdown is as follows:

Personal Emoluments	:	\$ 1.2 m
Departmental Expenses	:	\$ 0.2 m

Signature _____

Name in block letters THOMAS C Y CHAN

Post Title Director of Agriculture,
Fisheries and Conservation

Date 26.3.2004

Examination of Estimates of Expenditure 2004-05

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

Reply Serial No.

EDLB(ED)003

Question Serial No.

0231

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: With the deletion in the number of posts and the reduction in salary expenditures for the Civil Aviation Department anticipated in 2004-05, why is there still a significant increase in allowances?

Asked by: Hon. YEUNG Sum

Reply: Provisions for Allowances and Job-related Allowances under Subhead 000 Operational Expenses in 2004-05 are \$3,996,000 and \$967,000 or \$594,000 and \$433,000 higher than the revised estimates for 2003-04, respectively. Provisions for these two items are for acting allowances, typhoon allowances and hardship allowances for rainstorm black warning. In 2003-04, the actual acting arrangements and the number of typhoon signals and rainstorm black warning issued were less than expected. The actual expenditure was therefore significantly reduced. For budgeting purpose, the 2004-05 provisions are made on the basis of general forecast.

Signature

Name in block letters

Post Title

Date

ALBERT K.Y. LAM

Director-General of Civil Aviation

26.3.2004

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

Reply Serial No.

EDLB(ED)004

Question Serial No.

0246

Head : 28 Civil Aviation Department Subhead:

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 2004-05, it is stated that the Department will continue to coordinate with adjacent air traffic control authorities to facilitate the operation of aircraft to and from the Shenzhen, Zhuhai, Macau and Hong Kong Airports. What are the plans and how much resource has been allocated for such plans?

Asked by: Hon. YOUNG Howard

Reply: The Civil Aviation Department (CAD) will continue to improve the existing air traffic control procedures through regular liaison with the General Administration of Civil Aviation of China and the Civil Aviation Authority of Macau. To enhance safety, operational efficiency as well as airport and airspace capacity in Pearl River Delta area to meet the future traffic demand, a Tripartite Working Group has been established to identify a long term airspace and air traffic management plan which will satisfy the estimated traffic requirement in 2020. The first meeting of the Working Group was held on 25 – 26 February 2004. At this stage, additional work arising from the recommendations of the Working Group is absorbed by enhancement in productivity and efficiency within CAD's existing establishment.

Signature _____

Name in block letters _____

ALBERT K.Y. LAM

Post Title _____

Director-General of Civil Aviation

Date _____

27.3.2004

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

Reply Serial No.

EDLB(ED)005

Question Serial No.

0247

Head : 28 Civil Aviation Department Subhead :

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 2004-05, it is stated that various components of the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) System will be studied and evaluated. Please provide a breakdown on the estimated expenditure for studying and evaluating each component.

Asked by: Hon. YOUNG Howard

Reply: It is planned that four components of the CNS/ATM System will be studied and evaluated in 2004-05. The estimated expenditure comprises mainly of staff cost, detailed as follows -

	\$
1. Surface Movement Guidance and Control Trial System	340,000
2. Arrival Metering and Sequencing Trial System	250,000
3. Air Traffic Control Fast Time Simulation System	860,000
4. Electronic Flight Progress Strips System	170,000
	<hr/> 1,620,000 <hr/>

Signature _____
Name in block letters ALBERT K.Y. LAM
Post Title Director-General of Civil Aviation
Date 26.3.2004

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

Reply Serial No.

EDLB(ED)006

Question Serial No.

0248

Head : 28 Civil Aviation Department Subhead:

Programme : (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : During 2004-05, the department will continue to develop and implement the Safety Management System to ensure the highest standard of safety. What is the target set and how much resource has been allocated?

Asked by: Hon. YOUNG Howard

Reply: The target of Safety Management System (SMS) implementation includes development of safety management principles and procedures, documentation of these principles and procedures, and promotion of safety culture. Most of the procedures have been implemented as part of the routine operating procedures of various offices. Suitable training has been provided to staff to enhance their awareness of the safety requirements. The follow-up work will focus on reviewing and updating these procedures regularly for further improvement. The tasks of developing and up-keeping the SMS are performed by existing staff in Air Traffic Management Division without additional resources allocated in 2004-05.

Signature _____

Name in block letters _____

ALBERT K.Y. LAM

Post Title _____

Director-General of Civil Aviation

Date _____

26.3.2004

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

Reply Serial No.

EDLB(ED)007

Question Serial No.

0249

Head: 28 Civil Aviation Department

Subhead:

Programme: (5) Air Services

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the implementation of noise abatement programme, what are the details and the estimated expenditure? When will it be completed?

Asked by: Hon. YOUNG Howard

Reply:

The aircraft noise abatement programme is an on-going series of measures already implemented to reduce aircraft noise. At present, as long as air traffic safety is not affected, the noise abatement programme requires that:-

1. flights departing Hong Kong between 11 p.m. and 7 a.m. in the northeasterly direction have to use the south-bound flight path over the West Lamma Channel in order to avoid overflying the more densely populated areas in Kowloon and on Hong Kong Island at night;
2. flights arriving Hong Kong between midnight and 7 a.m. have to land from the southwest in order to reduce the number of aircraft overflying Sha Tin, Kwai Chung, Tsing Yi, Tsuen Wan and Sham Tseng at night;
3. aircraft if required to approach from the northeast between 11 p.m. and 7 a.m. have to adopt the Continuous Descent Approach as far as practicable when landing in order to reduce aircraft noise impact on areas such as Sai Kung, Tseung Kwan O and Ma On Shan;
4. all take-offs in the northeasterly direction have to adopt the Noise Abatement Departure Procedures prescribed by the International Civil Aviation Organization to reach a higher altitude within a shorter distance in order to minimise aircraft noise impact on areas near the airport; and
5. with effect from 1 July 2002, all Chapter 2 subsonic jet aircraft as defined in Part II, Volume I, Annex 16 of the Convention on International Civil Aviation, which only meet less stringent noise standards, are banned from landing and taking-off at the Hong Kong International Airport.

A noise and flight track monitoring system has been installed to assist the department to monitor the implementation of the noise abatement programme. In 2004-05, the expenditure for aircraft noise monitoring is estimated to be \$2.89 million.

Signature _____

Name in block letters _____

ALBERT K.Y. LAM

Post Title _____

Director-General of Civil Aviation

Date _____

27.3.2004

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

Reply Serial No.

EDLB(ED)008

Question Serial No.

0250

Head : 28 Civil Aviation Department Subhead:

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : As mentioned, during 2004-05, the department will continue to review the demand for helicopter services and provide necessary support to heliport development. How much resource has been allocated to develop helicopter services and what are the plans?

Asked by: Hon. YOUNG Howard

Reply: To support helicopter services development, the Civil Aviation Department (CAD) will conduct an Environmental Impact Assessment and other preparatory works for the proposed expansion of the heliport at the Macau Ferry Terminal. CAD will also continue to study the feasibility of developing a permanent heliport for domestic services. Furthermore, under the premises of ensuring aviation safety, CAD will provide support to the development of new services by helicopter operators.

The above services will be provided by the existing establishment. In addition, CAD has earmarked a total amount of \$3.5 million to conduct related consultancies.

Signature	_____
Name in block letters	ALBERT K.Y. LAM
Post Title	Director-General of Civil Aviation
Date	27.3.2004

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

Reply Serial No.

EDLB(ED)009

Question Serial No.

0251

Head : 28 Civil Aviation Department Subhead :

Programme : (4) Engineering and Systems

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Provision for 2004-05 is \$41.8 million (17.1%) higher than the revised estimate for 2003-04. One of the reasons is to allocate additional provision for procuring specialised stores and spare parts for the maintenance of the air traffic control system and the acquisition of aeronautical communication services for enhancement of flight safety. How much provision will be allocated? Please provide a breakdown of the estimated expenditure.

Asked by: Hon. YOUNG Howard

Reply: The net increase in provision is for the procurement of specialized stores and spare parts. The additional cost is partly off-set in a small portion by savings from the deletion of five posts. The breakdown is as follows :

	<u>Estimated amount</u> <u>(\$M)</u>
1. Procurement of additional specialised stores and spare parts for maintenance of the radar systems, communications systems, speech processing equipment, and radar antenna overhaul.	17.9
2. Purchase of 32 additional Radar Display Monitors	12.0
3. One-off payment to pension fund under a technical services agreement with the contractor who provides maintenance and support for the Department's air traffic control systems.	10.0
4. Service charges for use of Very High Frequency communications facilities and Secondary Surveillance Radar data to enhance safety and improve operational efficiency	2.3
	<hr/> 42.2
Less : Savings arising from deletion of five posts	0.4
	<hr/> 41.8 <hr/>

Signature	_____
Name in block letters	<u>ALBERT K.Y. LAM</u>
Post Title	<u>Director-General of Civil Aviation</u>
Date	<u>27.3.2004</u>

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

Reply Serial No.

EDLB(ED)010

Question Serial No.

0297

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 : The provision for salary for 2004-05 is \$4,143,000 (1%) lower than the revised estimate for 2003-04. However, the estimated MPF contribution for 2004-05 is \$257,000 (19%) higher than the revised estimate for 2003-04. Please account for this estimated increase?

Asked by: Hon. YOUNG Howard

Reply: The reduction in the provision for salary for 2004-05 mainly reflects the reduction in salary for the civil service implemented on 1 January 2004. The estimated increase in the provision for MPF is due to the Government's MPF contribution to:

	\$
1. the proposed additional Senior Operations Officers and Student Air Traffic Control Officers to be recruited in 2004-05; and	139,700
2. the salary increments of existing officers on agreement and probationary terms and the full year effect of MPF contribution for staff newly employed in 2003-04.	117,300
	<hr/> 257,000 <hr/>

Signature	_____
Name in block letters	ALBERT K.Y. LAM
Post Title	Director-General of Civil Aviation
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)011

Question Serial No.

0678

Head : 28 Civil Aviation Department Subhead:

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Under Matters Requiring for Special Attention in 2004-05, what measures will be taken to provide support to the negotiation and implementation of Hong Kong's Air Services Agreements and promote Hong Kong as the international and regional aviation centre? What is the estimated expenditure involved? Are there any objectives set for the progress of the granting of traffic rights in 2004-05? If yes, what are the objectives and their priorities?

Asked by: Hon. HUI Cheung-ching

Reply: CAD will assist in the negotiation and implementation of Air Services Agreements (ASA), and promote the status of Hong Kong as an international and regional aviation centre by :

1. providing relevant information (e.g. air traffic statistics, air services currently operated to/from Hong Kong etc.) and technical advice to the negotiation teams of the Economic Development and Labour Bureau;
2. issuing operating permits to airlines for providing air services to/from Hong Kong in accordance with ASA;
3. monitoring the compliance by airlines with ASA;
4. processing airlines' tariff filings in accordance with ASA;
5. contributing as a member of the PRC team in attending Conferences, Technical Committees and Working Group of the International Civil Aviation Organization (ICAO);
6. participating actively in aviation related activities organised by the Asia Pacific Economic Cooperation (APEC);
7. hosting and sponsoring international and regional aviation conferences, seminars and workshops;

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8. providing aviation related training and expert advice to the aviation communities in the Region;
9. ensuring aerodrome safety, aviation security, flight operations, airworthiness and air traffic management are maintained at the highest international standards through regulation and setting of policies and standards; and
10. ensuring flight safety, airspace capacity enhancement and operational efficiency of aircraft through highly efficient air traffic management.

The estimated staff cost and other expenses involved in providing the services in items (1) to (8) above in 2004-05 is \$8 million. As items (9) and (10) are part of the overall objectives of CAD, there is no separately dedicated estimated expenditure.

Regarding liberalisation of traffic rights, the government will continue to actively negotiate and conclude new air services agreements and discuss further liberalisation of routes and capacity with aviation partners. In 2004-05, the Government aims to conduct negotiations and discussions with at least 15 aviation partners. The Government will accord priority to negotiations with those aviation partners where local or overseas airlines have plans to launch new routes or expand existing services to Hong Kong.

Signature	_____
Name in block letters	<u>ALBERT K.Y. LAM</u>
Post Title	<u>Director-General of Civil Aviation</u>
Date	<u>26.3.2004</u>

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

Reply Serial No.

EDLB(ED)012

Question Serial No.

0679

Head : 28 Civil Aviation Department Subhead:

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 2004-05 for air traffic management, it is stated that the Civil Aviation Department will continue to co-ordinate with adjacent air traffic control authorities to facilitate the operation of aircraft to and from the Shenzhen, Zhuhai, Macau and Hong Kong Airports. Please provide information on the manpower involved and its work plan.

Asked by: Hon. HUI Cheung-ching

Reply: The Civil Aviation Department (CAD) will continue to improve the existing air traffic control procedures through regular liaison with the General Administration of Civil Aviation of China and the Civil Aviation Authority of Macau. To enhance safety, operational efficiency as well as airport and airspace capacity in Pearl River Delta area to meet the future traffic demand, a Tripartite Working Group has been established to identify a long term airspace and air traffic management plan which will satisfy the estimated traffic requirement in 2020. The first meeting of the Working Group was held on 25 – 26 February 2004. At this stage, additional work arising from the suggestions of the Working Group is absorbed by enhancement in productivity and efficiency within CAD's existing establishment.

Signature	_____
Name in block letters	ALBERT K. Y. LAM
Post Title	Director-General of Civil Aviation
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)013

Question Serial No.

0709

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 : The Operational Expenses increase from \$586m in 2003-04 to \$651m in 2004-05. Please give reason(s) why, other than the expenditure on Salaries, there are increases in all remaining items.

Asked by: Hon. CHAN Kam-lam

Reply: The provision under Subhead 000 Operational Expenses is \$65 million higher than the 2003-04 revised estimate. This is mainly due to :

	<u>Estimated Cost</u>
	<u>\$M</u>
1. Procurement of additional specialised stores and spare parts for maintenance of radar systems, communication systems, speech processing equipment, and radar antenna overhaul.	17.9
2. Purchase of 32 additional Radar Display Monitors.	12.0
3. Adjustment to the provisional payment for 2003-04 under a technical services agreement for the maintenance and support of the Department's air traffic control systems.	16.8
4. One-off payment to the pension fund under the above-mentioned technical services agreement.	10.0
5. Service charges for use of the Very High Frequency communications facilities and Secondary Surveillance Radar data to enhance safety and improve operational efficiency.	2.3
6. Additional expenses arising from the expansion of air services.	1.7

- | | | |
|-----|--|-----|
| 7. | Hosting of the 41 st Conference of Directors General of Civil Aviation, Asia and Pacific Region. | 2.0 |
| 8. | Civil aviation safety related training courses and seminars. | 1.0 |
| 9. | Estimated acting allowances, typhoon allowances and hardship allowances for rainstorm black warning made on the basis of the circumstances of a normal year. | 1.0 |
| 10. | Increase in MPF contribution due to proposed employment of additional staff and salary increments of existing staff. | 0.3 |

65.0

Signature	
Name in block letters	ALBERT K.Y. LAM
Post Title	Director-General of Civil Aviation
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)014

Question Serial No.

1063

Head : 28 Civil Aviation Department Subhead :

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Under programme (5), the provision in 2004-05 for Air Services will increase by 1.2%. What items will be the increase of provision for? What was the expenditure incurred by the Administration on abating aircraft traffic noise in 2003-04? And what will be the expenditure incurred by the Administration on abating aircraft traffic noise in 2004-05? How will the Administration handle the problem of aircraft traffic noise?

Asked by: Hon. CHAN Wai-yip, Albert

Reply: The provision in 2004-05 under programme (5) Air Services will increase by \$1.2 million over the revised estimate for 2003-04. The increase in provision is mainly for hosting the 41st Conference of Directors General of Civil Aviation, Asia and Pacific Region in Hong Kong in November 2004.

In 2003-04, the expenditure for aircraft noise monitoring was \$2.76 million. In 2004-05, the corresponding estimated expenditure is \$2.89 million.

At present, as long as air traffic safety is not affected, the following noise abatement measures are implemented :-

1. flights departing Hong Kong between 11 p.m. and 7 a.m. in the northeasterly direction have to use the south-bound flight path over the West Lamma Channel in order to avoid overflying the more densely populated areas in Kowloon and on Hong Kong Island at night;

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2. flights arriving Hong Kong between midnight and 7 a.m. have to land from the southwest in order to reduce the number of aircraft overflying Sha Tin, Kwai Chung, Tsing Yi, Tsuen Wan and Sham Tseng at night;
3. aircraft if required to approach from the northeast between 11 p.m. and 7 a.m. have to adopt the Continuous Descent Approach as far as practicable when landing in order to reduce aircraft noise impact on areas such as Sai Kung, Tseung Kwan O and Ma On Shan;
4. all take-offs in the northeasterly direction have to adopt the Noise Abatement Departure Procedures prescribed by the International Civil Aviation Organization to reach a higher altitude within a shorter distance in order to minimise aircraft noise impact on areas near the airport; and
5. with effect from 1 July 2002, all Chapter 2 subsonic jet aircraft as defined in Part II, Volume I, Annex 16 of the Convention on International Civil Aviation, which only meet less stringent noise standards, are banned from landing and taking-off at the Hong Kong International Airport.

The Civil Aviation Department will continue to stringently implement the above noise abatement measures. The Department will also closely monitor aviation technology developments at the international level and study all possible noise mitigation measures.

Signature	_____
Name in block letters	<u>ALBERT K.Y. LAM</u>
Post Title	<u>Director-General of Civil Aviation</u>
Date	<u>26.3.2004</u>

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

Reply Serial No.
EDLB(ED)015

Question Serial No.
1065

Head: 42 Electrical and Mechanical Services Department 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:

Regarding Subhead 700 Item 700, what are the progress and results to date of consultancy studies on increasing interconnection between the two power companies in Hong Kong? When are further studies expected to be completed? According to Government's current assessment, when will interconnection between the two power companies be able to be implemented?

Asked by: Hon. LAU Chin-shek

Reply:

The Electrical and Mechanical Services Department commissioned a consultant to conduct a technical feasibility study to identify the issues involved in having additional interconnection between the two power companies in Hong Kong. The technical study was to follow up on an earlier consultancy study completed in 1999, which concluded that, prima facie, there could be overall economic benefits if additional interconnection was installed between the two power companies. The technical study was completed in 2003 and the findings were presented to the Legislative Council Economic Services Panel in July 2003.

The technical study has proposed a technically feasible size and route for increasing interconnection between the two power companies with estimated costs and relevant engineering issues. This, nevertheless, is only one of the many inter-related issues involved in considering increasing interconnection of the power systems in Hong Kong. Increasing interconnection has implications, such as legal, business, investment, financial, liability and regulatory issues, which go beyond the technical aspects. These other issues must be addressed as a whole. Given the complexity and the range of issues involved, the Government will consider the findings of the technical study together with other related issues when examining options in the review for the future development of the electricity market after 2008.

Signature	_____
Name in block letters	ROGER S H LAI
Post Title	Director of Electrical and Mechanical Services
Date	24.3.2004

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

Reply Serial No.
EDLB(ED)016

Question Serial No.
1066

Head: 42 Electrical and Mechanical Services Department 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:

Matters requiring special attention in 2004-05 under Programme (1) include fine-tuning and upkeeping the oil supply contingency plan. What are the details of the plan?

Asked by: Hon. LAU Chin-shek

Reply:

Under the Oil (Conservation and Control) Ordinance (Cap. 264), the Government is empowered, in special circumstances, to regulate or prohibit the storage, supply, acquisition, disposal or consumption of oil. In this connection, the Director of Oil Supplies puts in place administrative arrangements (a contingency plan) which the Government would deploy for the purpose of coordinating and enforcing Part II of the Ordinance on conservation measures (in both the public and private sectors) in the event of an oil supply disruption. These arrangements are updated from time to time to take account of changes in the energy sector.

Signature	_____
Name in block letters	ROGER S H LAI
Post Title	Director of Electrical and Mechanical Services
Date	25.3.2004

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

Reply Serial No.
EDLB(ED)017
Question Serial No.
1474

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
Secretary for the Environment, Transport and Works
Secretary for Security

Question:

Please provide the following information on Programme (1) Energy supply; electrical, gas and nuclear safety:

- (1) The total amount of savings in salary cost to be achieved from the two civil service pay cuts in the 2004-2005 Estimates.
- (2) The four posts to be deleted in 2004-05 and the savings arising from the deletion of these posts.

Asked by: Hon. LI Fung-ying

Reply:

- (1) Savings in 2004-2005 arising from civil service pay cut will be \$3.57 million.
- (2) The projects covered by the posts of two Senior Electrical and Mechanical Engineers and two Electrical and Mechanical Engineers had been completed. Deleting the posts in 2004-05 will bring about savings of \$2.23 million.

Signature	_____
Name in block letters	ROGER S H LAI
Post Title	Director of Electrical and Mechanical Services
Date	25.3.2004

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

Reply Serial No.

EDLB(ED)018

Question Serial No.

1528

Head: 43 Civil Engineering Department

Subhead:

Programme: (2) Port and Marine Facilities

Controlling Officer: Director of Civil Engineering

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide information about expenditure and progress of the Tai O sheltered boat anchorage project? When will the project be completed?

Asked by: Hon. WONG Yung-kan

Reply:

The construction of the Tai O sheltered boat anchorage commenced in February 2003. The anticipated expenditure for the project is about \$280m. To date, about 32% of the construction works were completed. It is anticipated that the construction works will be completed by August 2005.

Signature _____

Name in block letters _____ T K TSAO

Post Title _____ Director of Civil Engineering

Date _____ 25 March 2004

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

Reply Serial No.

EDLB(ED)019

Question Serial No.

0804

Head: 100 Marine Department

Subhead:

Programme: (1) Infrastructure

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2004-05, the Administration will complete the Code of Practice for Hong Kong vessels engaged in coastal trading (Mainland ports). What are the details? How much resources have been employed for the work? How much manpower and resources will be further required to complete the work?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

The Code of Practice – Safety and Technical Standard of Coastal Cargo Vessels will set out the safety and technical standards for operation of Hong Kong cargo vessels trading in Mainland ports. It will cover areas concerning survey and certification, ship construction, machinery installation, fire protection, life-saving appliances, navigational equipment, radio communication equipment, crew accommodation, safety management system and minimum safe manning, etc.

No funding has been allocated for this task. We will continue to use existing resources to complete it in 2004-05.

Signature _____

Name in block letters _____ S.Y. TSUI

Post Title _____ Director of Marine

Date _____ 25.3.2004

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

Reply Serial No.

EDLB(ED)020

Question Serial No.

0805

Head: 100 Marine Department

Subhead:

Programme: (3) Local Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2004-05, the Administration will plan the closure of one Public Cargo Working Area (PCWA). What are the details? Will it bring about any economic advantage and save any public expenditure? Besides, is there any plan to improve the overall efficiency in PCWA management?

Asked by: Hon. LAU Kin-yee, Miriam

Reply:

There are about 1 100 metres or 30 numbers of vacant berths in the eight existing Public Cargo Working Areas (PCWAs) which when grouped together, is comparable to the berth number and lengths of one PCWA. The Administration therefore plans to rationalise the usage of the PCWAs. The Administration is conducting an assessment to identify a rationalisation plan with minimum impact on the trade. When the assessment has been completed, consultation with the trade will take place. It is estimated that the rationalisation should achieve annual savings in the order of \$3.5 million. Apart from this management improvement measure, the Administration will continue to explore additional means to improve the overall efficiency in PCWA management.

Signature _____

Name in block letters _____ S.Y. TSUI

Post Title _____ Director of Marine

Date _____ 25.3.2004

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

Reply Serial No.

EDLB(ED)021

Question Serial No.

0806

Head: 100 Marine Department

Subhead:

Programme: (3) Local Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2004-05, the Administration will make the subsidiary legislation of the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels. What are the details? How much resources have been employed for this work? How much manpower and time will be further required to complete the work?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

The implementation of the Merchant Shipping (Local Vessels) Ordinance entails the introduction of ten pieces of subsidiary legislation. Three of them have been passed. The Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation and the Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation are now being examined by the Legislative Council.

We are now drafting the remaining five pieces of subsidiary legislation, namely the Merchant Shipping (Local Vessels) (Works) Regulation, Merchant Shipping (Local Vessels) (Safety Survey) Regulation, Merchant Shipping (Local Vessels) (Compulsory Third Party Risks Insurance) Regulation, Merchant Shipping (Local Vessels) (Fees) Regulation and Merchant Shipping (Local Vessels) (General) Regulation.

The Department has not allocated any specific funding for this task, and will continue to use existing resources to complete it. We envisage that the above-mentioned Regulations will be ready for tabling at the Legislative Council within 2004-05.

Signature _____

Name in block letters _____ S.Y. TSUI

Post Title _____ Director of Marine

Date _____ 25.3.2004

Examination of Estimates of Expenditure 2004-05

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

Reply Serial No.

EDLB(ED)022

Question Serial No.

0084

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

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 consultancy studies for policy making and assessment (if any) 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 respectively in 2003-04:

Name of consultants (if available)	Description	Consultancy Fees (\$)	Progress on consultancy Studies (planning/ in progress/ completed)	The Administration's follow-up action on the study reports and the progress made (if available)	Whether study reports completed are publicized; if yes, their channels and if not, the reasons.

- (2) Has financial provision been allocated for commissioning consultancy studies in 2004-05? If yes, please provide the following details :

Name of consultants (if available)	Description	Consultancy Fees (\$)	Progress on consultancy studies (planning/ in progress/ completed)	Whether study reports scheduled for completion in 2004-05 will be publicized; if yes, their channels and if not, the reasons.

Asked by: Hon. HO Sau-lan, Cyd

Reply:

(1) Consultancy studies for which financial provision has been allocated in 2003-04 -

Head 145 Government Secretariat:
Economic Development and Labour Bureau (Economic Development Branch)
Subhead 700 General non-recurrent

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	The Administration's follow-up action on the study reports and the progress made (if available)	If completed, have the results been made known to the public? If yes, what is the channel? If no, what is the reason?
MDR Technology Ltd. (engaged by the Census and Statistics Department (C&SD))	Thematic household survey on public opinions on electricity supply in Hong Kong (Item 017)	\$500,000	Completed	Findings to be considered in the context of the electricity market review	Survey findings to be published by the Census and Statistics Department
Mercado Solutions Associates Ltd. (engaged in conjunction with C&SD)	Survey on institutional opinions on electricity supply in Hong Kong (Item 017)	\$140,000 (\$21,000 in 2003-04; \$119,000 in 2004-05)	In progress	Findings to be considered in the context of the electricity market review	Not applicable
Institute of Comprehensive Transportation, National Development and Reform Commission	Study on Mainland/Hong Kong Co-operation in Logistics Development (Item 020)	\$780,000	In progress	Upon endorsement of the study report by the Mainland/Hong Kong Conference on the Coordination of Major Infrastructure Projects, we will evaluate the study findings and, in consultation with the industry and the authorities in the Pearl River Delta, identify initiatives for implementation.	Not applicable

Head 28 Civil Aviation Department
Subhead 700 General non-recurrent

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	The Administration's follow-up action on the study reports and the progress made (if available)	If completed, have the results been made known to the public? If yes, what is the channel? If no, what is the reason?
L&O Architect	Technical Assessment Study for the Proposed Development of a Domestic Heliport in Sheung Wan (Item 516)	\$820,000	In progress	Not applicable	Not applicable

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

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	The Administration's follow-up action on the study reports and the progress made (if available)	If completed, have the results been made known to the public? If yes, what is the channel? If no, what is the reason?
Mott Connell Ltd.	Technical feasibility study of increasing power interconnection in Hong Kong to study transfer capacity, system stability, load flow, routing and engineering issues relating to reliability of electricity supply (Item 700)	\$3,800,000 (\$390,000 in 2003-04)	Completed	Technical findings to be considered, together with other related issues, in the context of the electricity market review	Summary of technical findings was presented to the ES Panel, LegCo and available on the websites of the LegCo and Economic Development and Labour Bureau.

Nexant, Inc.	Detailed assessment of technical matters including supply reliability, maximum demand and engineering operations to support the regular monitoring of the technical performance of the two power companies (Item 717)	\$560,000	In progress	Findings would be considered in the context of the regular monitoring of the technical performance of the two power companies.	Reports will not be released since they will contain confidential commercial information on the two power companies.
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Head 100 Marine Department
Subhead 000 Operational expenses

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress/ completed)	The Administration's follow-up action on the study reports and the progress made (if available)	Whether study reports completed are publicized; if yes, their channels and if not, the reasons
Hong Kong Polytechnic University Technology and Consultancy Company Limited	Fatigue Study on the working hours, patterns and limitations for officers on High Speed Craft in Hong Kong	\$550,000	Completed	A Working Group on Permit To Operate has been formed to discuss the results of the Study and provide recommendations to the High Speed Craft Consultative Committee on work patterns which are acceptable in terms of safety standards as well as protection of occupational health of operating officers.	All concerned parties (i.e. high-speed craft operators and unions) have received a copy of the final study report. A brief on the study findings has been promulgated through the "Maritime News" (Issue No. 14, September 2003), which is a quarterly publication circulated in the shipping industry.

BMT Asia Pacific Limited	Study on Marine Traffic Risk Assessment for Hong Kong Waters	\$2,500,000	In progress	The consultancy study will be completed by the end of March 2004. On the basis of the findings of the Consultancy Study and making use of the model developed, Marine Department will evaluate and map out a long-term strategy for the regulation of marine traffic activities and on the use of Hong Kong waters for ensuring the sustainability of the development of the Port of Hong Kong.	Interim reports have been presented and discussed in Marine Department Consultative Committees and with the Hong Kong Pilots Association. Once finalized, the report will be publicized through uploading onto the website of Marine Department.
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Head 177 Subventions: Non-Departmental Public Bodies
Subhead 443 Hong Kong Tourism Board

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	The Administration's follow-up action on the study reports and the progress made (if available)	If completed, have the results been made known to the public? If yes, what is the channel? If no, what is the reason?
Pannell Kerr Forster Consultants Pvt. Ltd / The Gallup Organization	To examine the image and perception of Hong Kong as a travel destination	\$1,165,379	Suspended due to the SARS outbreak. The study is no longer necessary as new global marketing campaign themed "Hong Kong – Live it Love it!" was launched in September 2003. Findings from the captioned study were applied to subsequent market studies.	Not applicable	Not applicable

Hay Group Limited	To review the remuneration and benefits of staff at HKTB's worldwide offices	\$622,500 (Note: the amount was already included in the 2002/03 budget)	In progress	To assess HKTB's remuneration policies and strategies	Not applicable
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(2) Financial provision has been allocated for commissioning the following consultancy studies in 2004-05 -

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

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	If anticipated to be completed in 2004-05, will the results be made known to the public? If yes, what is the channel? If no, what is the reason?
Subhead 700 General non-recurrent				
To be determined	Study on Cruise Market	To be determined	To be commissioned in 2004	The main findings will be disclosed to the public through the usual channels.
To be determined	Look into the competition aspects of some local real estate developers' practice in running concurrently other businesses such as estate management, retail and tele-communications; and making use of the housing estates they developed as platforms for these businesses (Item 014)	To be determined	Planning	Findings will be presented to the LegCo and be available on the website of the Competition Policy Advisory Group.
To be determined	Study of specific issues relating to the electricity supply industry (Item 017)	To be determined	Planning	To be determined

To be determined	Study on Development of Spa Resort Facilities	To be determined	To be commissioned in 2004	The main findings will be disclosed to the public through the usual channels.
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Head 28 Civil Aviation Department
Subhead 700 General non-recurrent

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	If anticipated to be completed in 2004-05, will the results be made known to the public? If yes, what is the channel? If no, what is the reason?
To be determined	Environmental Impact Assessment (EIA) Study for the Expansion of Cross-boundary Heliport at Macau Ferry Terminal	To be determined	Planning	Not applicable

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

Name of consultants (if available)	Description	Consultancy fees	Progress of consultancy studies (planning/ in progress/ completed)	If anticipated to be completed in 2004-05, will the results be made known to the public? If yes, what is the channel? If no, what is the reason?
To be determined	Consultancy study on other issues relating to increasing power interconnection in Hong Kong (Item 700)	To be determined	Planning	To be determined

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)	\$765,000	Planning	Reports will not be released since they will contain confidential commercial information on the two power companies.
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Head 100 Marine Department
Subhead 000 Operational expenses

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress/ completed)	Whether study reports scheduled for completion in 2004-05 will be publicized; if yes, their channels and if not, the reasons
To be determined	Dynamic Underkeel Clearance Study	To be determined	Planning	The results of the study will be presented to the relevant advisory committee and will be publicized through uploading onto website of Marine Department.

Signature _____
Name in block letters MS SANDRA LEE
Permanent Secretary for
Economic Development and Labour
(Economic Development)
Post Title _____
Date 26.3.2004

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

Reply Serial No.

EDLB(ED)023

Question Serial No.

0114

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: During 2003-2004, consumer complaints handled by the Consumer Council (the Council) numbered 26 501, amounting to a 15.8% increase over 2002-03. It was estimated that the number would rise to 27 500 during 2004-05. Regarding consumer enquiries, the Council received a total of 140 484 cases during 2003-04, representing an increase of 17.3% over 2002-03. It was estimated that the number would rise to 143 000 during 2004-05. In this respect, has the Administration assessed the impact of more complaints but less funding on the performance of the Council? If yes, what is the result? If no, with more complaints and enquiries but less provision, how would the Administration ensure that the performance of the Council would not be affected?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

Although the subvention to the Consumer Council (CC) is reduced by 2.3% in 2004-05 compared with the revised estimates for 2003-04, the resources deployed to handle consumer enquiries and complaints have not been reduced.

In anticipation of an increase of about 4% and 2% respectively in the number of consumer complaints and enquiries, the CC has assessed the impact on its performance and made suitable arrangements to deal with the anticipated increase. Arrangements made include redeployment of staff and streamlining the procedures for handling complaints. With these arrangements, their assessment is that except for minor adjustment to the targets for the following three services, the performance of the CC in all other services should not be affected -

- (1) for issuing preliminary reply to complex written enquiries, the target will be changed from five working days to six working days;
- (2) for issuing written reply to or progress on complaints received, the target will be changed from 24 working days to 27 working days; and
- (3) for telephone enquiries or complaints, the target response time will be changed from all to 75% of the calls to be answered immediately or within three minutes.

The CC will in effect process the complaints and enquiries referred to in items (1) and (2) above expeditiously. The slight adjustment to the target time for issuing written replies should not therefore have any substantive impact on the CC's work in protecting consumer interests.

Generally speaking, the CC can respond to telephone calls referred to in item (3) within one minute, although the response time during peak hours may be longer. In this connection, the CC will replace the existing systems with an upgraded interactive telephone answering system in 2004-05 with a view to improving its telephone enquiries and complaint services.

The CC will continue to monitor the situation closely and redeploy its staff as and when necessary to ensure more efficient use of resources.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)024

Question Serial No.

0117

Head: 145 Government Secretariat: Subhead : 700 General non-recurrent
Economic Development and Labour Bureau
(Economic Development Branch)

Programme:

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

Director of Bureau: Secretary for Economic Development and Labour

Question: In the revised estimate for 2003-04, the Government spent \$500,000 on consultancy on competition issues in the other economies. What are the details of the consultancy study? Has the study been completed? Is the cost of its publication included in the expenditure?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

The provision is for conducting specific studies as and when necessary and engaging consultants to produce educational materials to enhance the public's understanding of anti-competitive practices.

In 2003-04, we commissioned the Hong Kong Education City to develop interactive educational games for release on the Internet to nurture awareness and promote understanding of anti-competitive practices among students and the youth. Production work is in progress and is expected to be completed by mid-2004. The total expenditure involved is \$400,000, which includes fees for producing and launching the games on the Internet. No specific study was commissioned during 2003-04.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

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

Date _____ 26.3.2004 _____

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

Reply Serial No.

EDLB(ED)025

Question Serial No.

0118

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

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: A provision of \$5,000 was made in the revised estimate for 2003-04 to enhance public awareness of the work of the Competition Policy Advisory Group. What are the details of the work concerned? What is the plan of the work concerned in 2004-05 and what will be the level of estimated expenditure involved?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

The revised estimate of \$5,000 for 2003-04 was for maintaining and updating the Competition Policy Advisory Group (COMPAG) website. To enhance public understanding of the Government's policy on competition and COMPAG's work, COMPAG has since October 2002, provided information on its work through the COMPAG website. The COMPAG Annual Reports and other competition-related publications are also posted on the website for easy access by members of the public.

In 2004-05, we have made provisions of \$80,000 to cater for expenses arising from maintaining and updating the COMPAG website, and for publicity measures such as printing publicity materials as and when necessary.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

26.3.2004

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

Reply Serial No.

EDLB(ED)026

Question Serial No.

0119

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

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: In the revised estimates of expenditure for 2003-04, \$550,000 has been allocated to consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong. What are the details of the consultancy studies? Have the studies been completed? Have the expenditures included the costs of releasing the consultancy reports to the public?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

As part of the work in mapping out the broad framework for the future development of the post-2008 electricity market, we would like to have the public's views on the existing electricity supply arrangements and their expectations for the electricity supply sector. We have requested the Census and Statistics Department (C&SD) to conduct a survey on the views of the domestic consumers on electricity supply in the course of their Thematic Household Surveys and the findings will be published shortly. A second study undertaken in conjunction with C&SD, to collect the views of commercial consumers is in progress and the findings will be made available in due course.

Signature _____

Name in block letters _____ MS SANDRA LEE

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

Date _____ 26.3.2004

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

Reply Serial No.

EDLB(ED)027

Question Serial No.

0120

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:

- (a) What were the breakdown of and expenditure for the work undertaken in 2003-04 to co-ordinate among government departments and the local community to develop the tourism potential of Northern New Territories? Did the expenditure include the cost involved in assessment studies and their publication?
- (b) What are the breakdown of the plan for 2004-05 and its estimated expenditure for eco-tourism development in Northern New Territories?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

- (a) The Tourism Commission engaged the Hong Kong Polytechnic University to conduct a Consultancy Study on "Development of Tourism in the Northern New Territories" from August to December 2002 to explore the tourism potential of the area. The consultancy fee was \$484,724.

In May 2003, we held a consultative forum with stakeholders including members of Tai Po and North District Councils, local representatives, environmental groups and the travel trade to collect their views on the findings and recommendations of the Consultancy Study. The forum was organised with existing resources and no additional expenditure was incurred.

- (b) The Consultancy Study on "Development of Tourism in the Northern New Territories" has identified five priority clusters which are considered to have the highest potential for tourism development. Out of these five clusters, an inter-departmental committee has earmarked two areas, namely Tung Ping Chau, and the north shore of Tolo Channel to the Plover Cove Reservoir as pilot areas for green tourism projects. The above committee will consider improvements to the basic infrastructure such as pier, sewerage, electricity and water supply to the areas to ensure the sustainability of these tourism development projects. The committee is still working on the details of the projects and no estimated costs are available at this stage. We will seek funding approval from the Legislative Council when the estimated costs have been worked out.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

EDLB(ED)028

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

Question Serial No.

0306

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 : Please provide the schedule of the preparation work for partial privatisation of the Airport Authority. How much resources and expenditure will be involved? When will the partial privatisation be completed?

Asked by: Hon. YOUNG Howard

Reply :

On 6 August 2003, the Administration announced the commencement of the preparation for the privatisation of the Airport Authority (AA). We have then appointed a financial consultant to provide expert advice and assistance to the privatisation work, which costs \$4 million and is funded under Head 106 Subhead 182 controlled by the Permanent Secretary for Financial Services and the Treasury (Treasury).

In the following months, we conducted initial consultation with major stakeholders on the key issues relating to privatisation. In parallel, the financial advisor observed that AA's capital structure should be optimised prior to its privatisation. On 23 February and 2 March 2004, we briefed the Legislative Council Panel on Economic Services on the proposed two-step approach in the preparation for the privatisation. On 24 March 2004, the Administration introduced an amendment bill into the Legislative Council to enable the reduction of AA's capital and the return of funds to Government in order to optimise the capital structure of AA. The Administration would further introduce a resolution into the Legislative Council to effect the capital restructuring after the enactment of the amendment bill. Our plan is to introduce the privatisation bill into the Legislative Council around the end of 2004. After the enactment of the privatisation bill, we will launch an Initial Public Offering for AA, subject to the prevailing market conditions.

The expenses in 2004-05 under Head 145 for undertaking the work relating to the privatisation of AA is around \$2.5 million. This includes staff cost and related operating expenses.

Signature _____

Name in block letters _____ MS SANDRA LEE

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

Date _____ 26.3.2004

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

Reply Serial No.

EDLB(ED)029

Question Serial No.

0307

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

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 Matters Requiring Special Attention in 2004-05, please provide details of initiatives to improve airport services and enhance the airport's connectivity and competitiveness. What is the cost implication?

Asked by: Hon. YOUNG Howard

The Airport Authority (AA) has implemented various measures to enhance the facilities and services of the Hong Kong International Airport (HKIA). It has recently commenced the preparatory works on the development of the SkyPlaza which will be connected with the Passenger Terminal Building to further enhancing the airport's passenger handling capacity. Phase I of the airport's Express Cargo Terminal will be commissioned this year and the number of cargo aircraft stands will be increased by four to a total of 25 next year.

The AA is also expanding HKIA's passenger and cargo catchment area into the Pearl River Delta (PRD). In addition to the cross-boundary coach services between the HKIA and 18 PRD cities, the AA has developed high speed cross-boundary ferry services between HKIA and three PRD ports (Shenzhen Fuyong, Dongguan, Shekou) and Macau which provide fast and convenient intermodal connection for passengers transiting at the HKIA. The ferry services will shortly be extended to more PRD ports such as Guangzhou. On the cargo side, apart from the Marine Cargo Terminal which provides sea linkage between the HKIA and 17 PRD ports, the AA and the Hong Kong Air Cargo Terminals Ltd are discussing cooperation plans to develop air cargo consolidation centres within the PRD region with simplified customs clearance procedures so as to attract more PRD exports via the HKIA.

The AA is also discussing specific cooperation proposals with other PRD airports such as Shenzhen and Zhuhai so that more PRD passengers and cargo will be attracted to make use of HKIA as the international gateway. These proposals will be conducive to enhancing Hong Kong's status as an international and regional aviation centre.

The aforesaid initiatives will be undertaken by the AA either on its own or together with its business partners under prudent commercial principles. There are no resource implications to the Government.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

26.3.2004

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

Reply Serial No.
EDLB(ED)030
Question Serial No.
0308

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

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 Matters Requiring Special Attention in 2004-05, please provide details on the development of the DTTN System. How much expenditure and manpower will be involved? When will it be completed?

Asked by: Hon. YOUNG Howard

Reply:

We are in discussion with Tradelink Electronic Commerce Limited with a view to concluding an operating agreement to launch the Digital Trade and Transportation Network (DTTN) System in 2005. No specific funding has been allocated for this project. We are using existing resources to take the project forward.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)031
Question Serial No.
0309

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 :

It is stated that the plan for the "Heart Sutra Wood Carving" project near Ngong Ping on Lantau has been confirmed. How much provision will be allocated for this plan and what are the details?

Asked by: Hon. YOUNG Howard

Reply:

A sum of \$9.5 million has been allocated for the implementation of the Heart Sutra Inscription Project (formerly known as the Heart Sutra Wood Carving) under Head 703 – Sub-Head 3101GX of the Capital Works Reserve Fund, which is accounted for by the Director of Architectural Services.

The Project involves the carving onto some 30 timber logs more than 200 characters of calligraphy featuring the Heart Sutra, donated to the Hong Kong Special Administrative Region by the internationally renowned master Professor Jao Tsung I. Each character will be reproduced in its original size of approximately 600mm x 600mm. The logs will then be erected in a formation as to blend in with the natural landscape on site at the foot of Lantau Peak near Ngong Ping. This will form a large scale and unique public art installation.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

26.3.2004

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

Reply Serial No.
EDLB(ED)032
Question Serial No.
0310

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 :

Under Matters Requiring Special Attention in 2004-05, it is stated that there will be enhancement of existing tourist attractions and facilities. For each enhancement initiative, please provide a breakdown of the estimated expenditure and the target date of completion. Please provide information on the quantity and location of directorial and informational signage installed and the resources involved.

Asked by: Hon. YOUNG Howard

Reply:

The estimated expenditure and target completion date of tourist district enhancement initiatives are as follows –

Project	Completion date	Estimated Cost (\$ million)
Visitor Signage Improvement Scheme	2004	43.62
Central and Western District Enhancement Scheme	2004	60.4
Tsim Sha Tsui Promenade Beautification Project	2006	183.2
Transport Link in Tsim Sha Tsui East *	2006	201
Stanley Waterfront Improvement Project*	2007	106
Peak Improvement Project*	2006	142.4
Construction of an open plaza outside Tsim Sha Tsui Star Ferry Pier *	2008	80

* Funding subject to Finance Committee's approval

600 directional signs, four mapboards and one identification sign have been installed in 14 districts. The expenditure so far is around \$21.9m. The remaining 340 directional signs, 26 mapboards and 23 identification signs will be completed in 2004. The total cost for the project is \$43.62 million.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

26.3.2004

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

Reply Serial No.
EDLB(ED)033
Question Serial No.
0311

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 is the progress of pursuing the early development of a Tourism Node with a new modern cruise terminal at Southeast Kowloon in the long term? How much resources will be involved in identifying alternatives to provide additional berthing capacity in the interim?

Asked by: Hon. YOUNG Howard

Reply:

As a result of the Court judgment on reclamation within the core Harbour area, there is a need to review future development at South East Kowloon. This has had an impact on the timetable for the Expression of Interest exercise. However, we are now considering measures which will enable the timely development of additional cruise berthing facilities to meet the needs of market development in the medium to long term.

We are using existing resources to work on options short or medium term for cruise berthing facilities.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)034
Question Serial No.
0312

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:

Regarding Matters Requiring Special Attention in 2004-05, how much resource has been allocated to develop eco-tourism in Northern New Territories and what are the details?

Asked by: Hon. YOUNG Howard

Reply:

The Tourism Commission engaged the Hong Kong Polytechnic University to conduct a Consultancy Study on "Development of Tourism in the Northern New Territories" from August to December 2002 to explore the tourism potential of the area. The Consultancy Study has identified five priority clusters which are considered to have the highest potential for tourism development. Out of these five clusters, an inter-departmental committee has earmarked two areas, namely Tung Ping Chau, and the north shore of Tolo Channel to the Plover Cove Reservoir as pilot areas for green tourism projects. The above committee will consider improvements to the basic infrastructure such as pier, sewerage, electricity and water supply to the areas to ensure the sustainability of these tourism development projects. The committee is still working on the details of the projects and no estimated costs are available at this stage. We will seek funding approval from the Legislative Council when the estimated costs have been worked out.

Signature _____

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)035

Question Serial No.

0313

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: Under Matters Requiring Special Attention in 2004-05, it is stated that closer co-operation with consumer associations in the Mainland will be forged to help tourists understand Hong Kong's market practice and facilitate the handling of complaints lodged by consumers. What are the concrete plans and amount of expenditure involved?

Asked by: Hon. YOUNG Howard

Reply:

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

With the increase in the number of visitors travelling between Hong Kong and the Mainland, the CC works even more closely with Mainland consumer associations through visits, seminars and dissemination of consumer protection information etc.

The CC had originally planned to organise and invite representatives of Mainland consumer organisations to participate in a seminar in 2004-05 to: forge closer co-operation with consumer associations in the Mainland; facilitate handling of consumer complaints by relevant parties; and help Mainland tourists understand market practices in Hong Kong.

The CC had subsequently decided to bring forward the seminar and stage it as a panel discussion in the "Hong Kong – The Real Experience" forum^{Note} held in March 2004. The forum provided an opportunity for exchanges between representatives from the Mainland consumer associations and local businesses with the view to fostering understanding, exchanging information and sharing experience. Local businesses in the jewellery, watches, audio-visual appliances and cosmetics sectors, whose products are the most popular among Mainland tourists participated in the Panel discussion.

^{Note} "Hong Kong – The Real Experience" is organised by the Intellectual Property Department and the Customs and Excise Department in March 2004. The Consumer Council collaborated by inviting representatives of consumer associations in 18 provinces/cities in the Mainland, including Guangdong, Jiangsu, Zhejiang, Hebei, Sichuan, Zhuhai, Shenzhen and Guangzhou to participate in the event, the forum focused on issues such as marketing strategy and the benefits of no-fake sales, the Trade Marks Ordinance, the Trade Descriptions Ordinance, and how to distinguish between pirated and genuine goods.

The CC has yet to develop other plans for working together with Mainland consumer organisations in 2004-05.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)036

Question Serial No.

0314

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 stated that the funds invested by the HKTB in promotional activities will help to stimulate the growth in the number of visitors to Hong Kong and maximise their spending. Please provide details of the nature of the activities and the expenditure involved. Has any evaluation taken place? If yes, how effective were the promotional activities?

Asked by: Hon. YOUNG Howard

Reply:

Hong Kong Tourism Board (HKTB) Promotional Activities

HKTB's major promotional activities include –

- To establish Hong Kong's image as the world's premier destination through its 'Hong Kong – Live it, Love it!' global advertising campaign, public relations activities, media familiarisation visits, features and advertorials in newspapers and magazines. HKTB uses the mass media to ensure high-level exposure and reinforce positive perceptions about Hong Kong.
- To increase visitor awareness and knowledge of Hong Kong through consumer activities, such as roadshows and online games.
- To enable our local travel trade to meet and strengthen partnership with their overseas counterparts through trade promotions such as familiarisation trips, trade shows and travel missions. HKTB will also maintain close contact with tourism-related sectors and encourage the travel trade to offer attractive discounts and privileges and develop new tourism products.

HKTB enriches the experience of visitors and encourages their spending by organising a series of mega-events. Those planned for 2004-05 include: the Avenue of Stars, the Shopping Festival, the Best of the Best Culinary Awards, Hong Kong WinterFest and the International Chinese New Year Parade.

In addition, HKTB will continue to improve the industry's service standards and ethical practices through the Quality Tourism Services (QTS) scheme. During the mega-event period, HKTB will collaborate with the QTS merchants to provide special promotional offers for visitors to encourage visitor spending.

Expenditure

The estimated expenditure on marketing and promotions in 2004-05 is HK\$405.97 million.

Effectiveness

HKTB regularly evaluates the effectiveness of its promotional activities. The criteria and methods for assessing effectiveness of the promotional activities vary to suit the nature of the activity in question. Readership and exposure are used to assess the effectiveness of advertising. The amount of publicity value generated is used for public relations activities. The number of participants and packages sold are used for trade and consumer promotions. HKTB also carries out exit surveys among visitors to assess their perception of Hong Kong and their satisfaction levels.

An example of the sort of feedback is that, according to HKTB's visitor surveys during the mega-event periods, visitors who participated in the mega-events have a high level of satisfaction, with an average rating of 8.4 out of a scale of 10. Over 90% of these visitors indicated that they would recommend that their friends and relatives at home visit Hong Kong and participate in the events, and over 60% indicated that they would visit Hong Kong to participate in the events again.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)037

Question Serial No.

0315

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:

Under Matters Requiring Special Attention in 2004-05, it is stated that high potential markets will be developed, including the Mainland, South Korea, the Philippines and Thailand, by strengthening trade network and enhancing promotional efforts. What are the details? How much provision will be allocated for each of the high potential markets?

Asked by: Hon. YOUNG Howard

Reply:

Details of Hong Kong Tourism Board (HKTB)'s marketing efforts in high potential markets in 2004-05 are set out below -

Mainland China

- HKTB will increase publicity on Hong Kong across the Mainland, reinforcing Hong Kong's position both as a primary and stopover destination among Mainland visitors.
- HKTB will expand its promotional activities to cover the 24 high potential cities identified in the China outbound travel study, particularly to use TV as the main medium to convey the promotional messages. It will strengthen publicity for mega-events and major attractions in Hong Kong through consumer and retail promotions and provide comprehensive travel information to visitors, in particular individual visitors. HKTB also plans to organise nationwide promotions jointly with top consumer brands.
- HKTB will continue to build Hong Kong's image as a family destination, paving the way for the opening of Hong Kong Disneyland in 2005. A 'Family Fun Guide' has been produced to introduce recreational facilities, museums, shopping and dining locations in Hong Kong and the 'Children's Passport' offered special privileges to enhance the shopping and dining experience of the families.
- To enrich visitors' experience, HKTB will leverage on A Symphony of Lights, and in particular the special pyrotechnic effects to be added during special periods such as the Golden Week holidays.
- With the opening of its new Guangzhou office, HKTB will enhance its collaboration with the Mainland travel trade in the South China region.

South Korea

- Building on the ‘Hong Kong – Live it, Love it!’ global advertising campaign, HKTB will strengthen its promotional efforts in potential markets such as Busan.
- HKTB will develop new tourism products, including attractions featuring culture and heritage, as well as the splendours of city harbour and green, through strengthened partnership with the travel trade. HKTB will also explore partnership with non-travel organisations to conduct promotions to the targetted segments through its network.
- In promoting Hong Kong as a family destination, HKTB will emphasise that Hong Kong is a convenient, safe and modern city that offers multi-dimensional attractions. It will also invite celebrity families to visit Hong Kong to generate publicity.
- On consumer promotions, HKTB will make use of the Internet to increase potential visitors’ knowledge of and interest in Hong Kong.
- To provide more comprehensive information to travellers, HKTB will co-operate with the Korean travel guide “Beetle Map” to run a feature on family travel in September and produce a Korean version of the ‘Family Fun Guide’.

Philippines

- Through the ‘Hong Kong – Live it, Love it!’ global advertising campaign, HKTB showcases the diversity and sophistication of Hong Kong, emphasising shopping, city, harbour and green attractions. The HKTB plans to conduct in-depth qualitative research to understand more about the travel patterns and interests of visitors from Philippines.
- HKTB will extend trade promotions including training and seminars for travel agents to potential markets such as Cebu and Davao. It will also develop partnerships with non-travel organisations to conduct promotions to the targetted segments through its network.
- On consumer promotions, HKTB will entice visitors through mega-events. To extend its reach to the targetted segments, it will expand its promotional channels to the Internet and cover the non-travel trade.
- HKTB will strengthen its travel information dissemination and offer special privileges to business travellers to encourage them to extend their stay and bring along their families.
- In developing Hong Kong as a family destination, HKTB will emphasise that Hong Kong is a convenient, safe and modern city that offers multi-dimensional attractions. It will also invite celebrity families to generate wider publicity.
- HKTB plans to appoint a representative in the Philippines to step up its communication and collaboration with the travel trade partners with a view to increasing Hong Kong’s market share.

Thailand

- HKTB will continue to make use of the ‘Hong Kong – Live it, Love it!’ global advertising campaign to promote Hong Kong, emphasising its shopping and dining attractions. HKTB will stimulate visitor arrivals and attract high-yield visitor segments through mega-events.
- HKTB plans to expand consumer reach to include suburban areas and other potential cities such as Chiang Mai and Haadyai.
- Through partnership with the travel trade and other sectors, HKTB will promote Hong Kong to its targeted segments. It will also encourage the trade to develop new products to meet the needs of the various segments.
- To develop the business segment, HKTB will strengthen its travel information dissemination and offer special privileges to business travellers to encourage them to extend their stay and bring along their families.
- In developing Hong Kong as a family destination, HKTB will emphasise that Hong Kong is a convenient, safe and modern city that offers multi-dimensional attractions. It will also invite celebrity families to generate wider publicity.

- HKTB plans to appoint a representative in Thailand to step up its communication and collaboration with the travel trade partners with a view to increasing Hong Kong's market share.

Marketing Budget

- The marketing budget for Mainland China, South Korea, the Philippines and Thailand in 2004-05 is as follows:

(1) Mainland China	-	HK\$41.82 million, 13.2% of the estimated total marketing expenditure
(2) South Korea	-	HK\$18.55 million, 5.9% of the estimated total marketing expenditure
(3) Philippines	-	HK\$8.83 million, 2.8% of the estimated total marketing expenditure
(4) Thailand	-	HK\$9.96 million, 3.2% of the estimated total marketing expenditure

The above budget does not include the additional one-off funding to enhance marketing effort in the Mainland in 2004-05.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)038

Question Serial No.

0564

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: Regarding the operation of the Post Office Trading Fund, will the Government inform this Committee of its overall expenditure during the financial year of 2003-04? What was the expenditure of its business activities other than the selling of stamps? Did the Post Office manage to break even in its operation in 2003-04? What is the current amount of the Post Office Trading Fund?

Asked by: Hon. LI Wah-ming, Fred

Reply:

Pursuant to the Trading Funds Ordinance (the Ordinance), all trading funds operate on a self-financing basis, and are therefore not included in the Government's annual Estimates of Expenditure. The Post Office Trading Fund (POTF) is no exception.

Pursuant to the Ordinance, POTF, like all other trading funds, shall table in the Legislative Council not later than 31 October next following the end of each financial year an annual report which includes the following documents –

- (a) annual report on the operation of the trading fund;
- (b) certified statements; and
- (c) the report of the Director of Audit.

The overall expenditure of the POTF in 2003-04, the expenditure of its business activities including the selling of stamps, and information on whether the POTF managed to break even in its operation in 2003-04 etc. will be set out in the POTF Annual Report 2003-04 to be tabled in the Legislative Council in October 2004.

Signature _____

Name in block letters _____

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title _____

Date _____

26.3.2004

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

Reply Serial No.
EDLB(ED)039
Question Serial No.
0565

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 Government's estimated expenditure on examining the options for the development of electricity supply market after 2008? What is the work plan? What are the Government's achievements and expenditure in this aspect in 2003-04?

Asked by: Hon. LI Wah-ming, Fred

Reply:

Resources required to support the review of the post-2008 electricity market, including the appointment of the Electricity Advisor, have been included in the overall provisions for energy policy under the Economic Development and Labour Bureau and cannot be readily and separately quantified. Details of the funding ear-marked for specific purposes, such as consultancy studies, are set out under subhead 700 Item 017.

We have initiated studies under item 017 to provide the Government with the public's views on the existing electricity supply arrangements and their expectations of the electricity market. The first study, which focussed on domestic consumers, was completed by the Census and Statistics Department (C&SD) in the course of a series of Thematic Household Surveys and the findings will be published shortly. A second study undertaken in conjunction with C&SD, which assesses the opinion of institutional consumers, is in progress and the findings will be made available in due course. The expenditure on these studies in 2003-04 is \$521,000.

In considering options for the future electricity market, detailed studies are being undertaken on a wide range of complex and interrelated issues covering legal, business, investment, financial, liability and regulatory aspects. Different market structures, modalities and systems of open and regulated markets are also being considered, having regard to the regulation and operating conditions of some overseas electricity markets .

The electricity market review is in progress. We plan to prepare a consultation document on the development of the future electricity market after 2008 and seek the views of the public in two stages. The first stage of consultation aims to seek views on possible options for the development of the post-2008 electricity market and should be completed in 2004-05. This would be followed by a second stage which aims to map out the direction and framework for

electricity market in Hong Kong so as to enable the Government to finalize, in good time, firm proposals for the way ahead.

Signature	_____
Name in block letters	MS SANDRA LEE
	Permanent Secretary for Economic Development and Labour (Economic Development)
Post Title	_____
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)040

Question Serial No.

0566

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 total estimate expenditure for the work of the Competition Policy Advisory Group in 2004-05? What are the items included and their respective expenditure?

Asked by: Hon. LI Wah-ming, Fred

Reply:

Recurrent resources required to support the Competition Policy Advisory Group (COMPAG) have been included in the overall provision for competition policy under the Economic Development and Labour Bureau and cannot be readily and separately quantified. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700 Items 014 and 015.

The provision under Item 014 Consultancy on competitive issues in other economies is for conducting specific studies as and when necessary and engaging consultants to produce educational materials to enhance the public's understanding of anti-competitive practices. In 2004-05, the estimated expenditure is \$500,000 and includes provision for the following items :

- (1) 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 educational games for release on the Internet. Production work is in progress and is expected to be completed by mid-2004.
- (2) On 13 November 2003 the Hon Fred LI Wah-ming wrote to the Financial Secretary requesting the COMPAG to look into the competition aspects of some local real estate developers' practice in running concurrently other businesses such as estate management, retail and telecommunications; and making use of their residential developments as platforms for these businesses. In this connection, COMPAG has decided to commission a consultancy study to examine the impact of the aforesaid practices on competition and whether such practices are against the principle of fair competition, having regard to arrangements in other economies. To ensure impartiality and familiarity with the local situation, COMPAG has decided the study should be conducted by local academics and has invited study proposals from the eight local universities.

The provision under Item 015 Enhancing public awareness of the work of the Competition Policy Advisory Group is for maintaining and updating the COMPAG website, and for producing publicity materials as and when necessary. In 2004-05, we have made provisions of \$80,000 to cater for such expenses.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)041
Question Serial No.
0740

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:

On logistics development, will the Government inform this Council:

- (a) What measures will be taken by the Government to work with the logistics stakeholders to facilitate the development of a value added logistics park? Will such measures involve additional manpower and resources?
- (b) How much has been spent on port and logistics studies so far? How much additional provision is expected for 2004-05? When will the whole study be completed?

Asked by: Hon. TING, Kenneth Woo-shou

Reply:

- (a) We will involve and consult the logistics sector closely, through the Hong Kong Logistics Development Council, to ensure that the development of the value added logistics park (VALP) will cater for the practical needs and expectations of the logistics sector and attract private investment. The Economic Development and Labour Bureau has not allocated any specific funding in 2004-05 for this project. We will continue to use existing resources to take it forward.
- (b) There are two port and logistics development studies now in progress. On port development, we incurred an expenditure of \$5.31 million in 2003-04 to continue the Study on Hong Kong Port – Master Plan 2020. Another \$1.9 million within the approved commitment has been set aside for the same study in 2004-05, but no additional provision is involved. The study will be completed in this quarter. On logistics development, we incurred an expenditure of \$0.39 million in 2003-04 to continue with the Study on Mainland/Hong Kong Co-operation in Logistics Development. No additional provision will be required in 2004-05 for this study. The preparation of the study report is in its final stage.

Signature _____

Name in block letters _____

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title _____

Date _____

26.3.2004

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

Reply Serial No.
EDLB(ED)042
Question Serial No.
0742

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

Subhead: 700 General non-recurrent

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

Please provide the following information in respect of Subhead 700:

- (a) Regarding the promotion of Hong Kong as an international maritime centre and leading port under item 013, the accumulated expenditure up to 31.3.2003 is \$3,295,000. Would the Administration please provide a detailed breakdown of the specific uses of the money?
- (b) As regards the Study on Competitive Strategy and Master Plan for the Time Definite Sector in the Supply Chain under item 019, the accumulated expenditure up to 31.3.2003 is \$2,059,000 and the revised estimated expenditure for 2003-04 is \$4,991,000. Would the Administration please provide a detailed breakdown of the specific uses of the money? When will the study be completed?
- (c) Regarding the consultancy on competition issues in other economies under item 014, the estimated expenditure for 2003-04 is \$500,000. Would the Administration please provide a detailed breakdown of the specific uses of the money? When will the study be completed and when will the observations and recommendations be available?

Asked by: Hon. TING, Kenneth Woo-shou

Reply:

- (a) The expenditure has been used for employing consultants to conduct studies, promotional activities and employment of temporary staff. The details are set out as follows :
 - (i) Study on the Implications of South China Infrastructure Development on Cargo Flowing to and from Hong Kong \$1,284,000
 - (ii) Bridging Project on the Competitive Strategy and Master Plan to Strengthen Hong Kong's Role as the Preferred International and Regional Transportation and Logistics Hub \$531,000
 - (iii) Participation in Posidonia 2002 Shipping Congress and Exhibition \$850,000
 - (iv) Employment of temporary staff, production of souvenirs, printing of the then Hong Kong Port and Maritime Board Annual Report 2001 and other promotional materials, etc \$630,000

Total \$3,295,000
- (b) The expenditure listed under item 19 is the cost incurred for the Study on Hong Kong Port -

Master Plan 2020. The accumulated expenditure up to 31 March 2003 was \$2,058,800, which accounted for the part of the Study completed in the 2002-03 financial year. The amount of \$4,991,000 was our estimated expenditure for the Study in 2003-04. By now, this has been further revised to \$5,312,100 to reflect the actual expenditure incurred in 2003-04. The Study will be completed in the first quarter of 2004.

- (c) The provision is for conducting specific studies as and when necessary and engaging consultants to produce educational materials to enhance the public's understanding of anti-competitive practices.

In 2003-04, we commissioned the Hong Kong Education City to develop interactive educational games for release on the Internet to nurture awareness and promote understanding of anti-competitive practices among students and the youth. Production work is in progress and is expected to be completed by mid-2004. The total expenditure involved is \$400,000, which includes fees for producing and launching the games on the Internet. No specific study was commissioned during 2003-04.

Signature	_____
Name in block letters	MS SANDRA LEE

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

Date	26.3.2004

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

Reply Serial No.

EDLB(ED)043

Question Serial No.

0750

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

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 measures will be taken by the Government in conjunction with the Airport Authority to further improve the competitiveness of the Hong Kong International Airport? What will be the cost involved? How will the Government further enhance the operational efficiency of other existing ports? What will be the cost involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Government and the Airport Authority (AA) have implemented various measures to enhance the facilities and services of the Hong Kong International Airport (HKIA). The AA has recently commenced the preparatory works on the development of the SkyPlaza which will be connected with the Passenger Terminal Building to further enhance the airport's passenger handling capacity. Phase I of the airport's Express Cargo Terminal will be commissioned this year and the number of cargo aircraft stands will be increased by four to a total of 25 next year.

The AA is also expanding HKIA's passenger and cargo catchment area into the Pearl River Delta (PRD). In addition to the cross-boundary coach services between the HKIA and 18 PRD cities, the AA has developed high speed cross-boundary ferry services between HKIA and three PRD ports (Shenzhen Fuyong, Dongguan, Shekou) and Macau which provide fast and convenient intermodal connection for passengers transiting at the HKIA. The ferry services will shortly be extended to more PRD ports such as Guangzhou. On the cargo side, apart from the Marine Cargo Terminal which provides sea linkage between the HKIA and 17 PRD ports, the AA and the Hong Kong Air Cargo Terminals Ltd are discussing cooperation plans to develop air cargo consolidation centres within the PRD region with simplified customs clearance procedures so as to attract more PRD exports via the HKIA.

The AA is also discussing specific cooperation proposals with other PRD airports such as Shenzhen and Zhuhai so that more PRD passengers and cargo will be attracted to make use of HKIA as the international gateway. These proposals will be conducive to enhancing Hong Kong's status as an international and regional aviation centre.

The aforesaid initiatives will be undertaken by the AA either on its own or together with its business partners under prudent commercial principles. There are no resource implications to the Government.

To further improve the efficiency of the Kwai Chung Container Terminals (KCCT), three berths of the new Container Terminal 9 (CT9) are already in operation and the remaining three will be completed in stages by the end of this year/early next year. The Kwai Chung Container Terminal

basin has been dredged to -15.5m deep to enable the handling of future generation mega container vessels. The port back-up land adjacent to the CT9 will be completed and be put into use to support the operation of the terminals to enhance the efficiency of the KCCT operation. The Government will continue to use the existing channel to enhance communication with the terminal operators and to lend appropriate support to the efficiency enhancement proposals put forward by them. Since all the existing terminals are developed and run by private operators, there are no additional expenses for the Government on the operators' measures to improve the efficiency of port operation so far.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	26.3.2004

Examination of Estimates of Expenditure 2004-05

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

Reply Serial No.

EDLB(ED)044

Question Serial No.

0751

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:

The financial provision for this programme for 2004-05 is decreased by 70.7% as compared with the revised estimate for 2003-04. In detailed terms, how can such a substantial saving be achieved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

Non-recurrent funding of \$98 million was approved by Finance Committee of the Legislative Council in July 2003 for a time-limited project called "Tourism Development Assistant (TDA) Training Project" which created 3 000 short-term jobs and training for young people for six months. The Project ended in March 2004. In view of the improved tourism performance industry, the TDAs who have undergone systematic training will stand better to have a longer term career development in the industry. Having reviewed the operation needs of the departments concerned, we will recruit 205 TDAs in 2004-05 to work at the border to assist visitors.

The reduction of 70.7% from the financial provision for 2004-05 is mainly due to reduced cashflow requirement in 2004-05 for the above project.

Signature _____

Name in block letters _____ MS SANDRA LEE

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

Date _____ 26.3.2004

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

Reply Serial No.

EDLB(ED)045

Question Serial No.

0752

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:

How will the Administration prepare for the full implementation of the Individual Visit Scheme?
What is the amount of expenditure to be involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Individual Visit Scheme was introduced on 28 July 2003. 14 cities in Guangdong Provinces, Beijing and Shanghai have implemented the Scheme so far and the Scheme will be extended to the remaining seven Guangdong cities by May 2004.

To prepare for the expected upsurge of visitor arrivals from the Mainland, we have since July 2003 coordinated actions among relevant government departments and the trade to implement measures to enhance the flow of visitors through the boundary control points, increase the capacity of transportation facilities and streamline manpower deployment. Many of the measures adopted for the last National Day Golden Week, Christmas and Chinese New Year Golden Week proved very effective in providing the capacity to handle large volumes of visitors.

We have reviewed these measures and they will be deployed in future response to the anticipated growth in arrivals.

We will continue to maintain close liaison with Guangdong Provincial Tourism Administration in respect of immigration clearance, resources management, dissemination of consumer protection information, travel tips as well as health information.

The HKTB will be allocated an additional \$45 million in 2004-05 to step up its marketing efforts in the Mainland. Specifically targeted campaigns will be mounted in Guangdong province, Beijing and Shanghai to attract potential individual visitors to Hong Kong. The HKTB is currently working out the details of these new campaigns.

We will monitor the situation and devise appropriate measures to cope with additional visitor arrivals. At present, we deploy existing resources to handle the growth in arrivals.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)046

Question Serial No.

0753

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:

The estimated provision for the Hong Kong Tourism Board for 2004-05 is \$37.5 million (7.4%) higher than the revised estimate for 2003-04, which is mainly due to the additional provision for project-based tourism initiatives. What are the themes, contents and targets of the various initiatives and the provisions involved for all items?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Hong Kong Tourism Board (HKTB) will use the additional funding in 2004-05 to strengthen its marketing efforts in the Mainland, to extend the Tourism Orientation Programme and to enhance the Quality Tourism Services Scheme. Details are as follows -

Enhanced promotion in the Mainland

\$45 million will be allocated to enhance the marketing effort in the Mainland market.

In 2003, we received \$8.46 million Mainland visitors, an increase of 24% as compared to 2002. Research findings indicate that the growth will continue, in particular with the Individual Visit Scheme to be extended to the entire Guangdong Province before May 2004, and possibly to other provinces and cities later in the year. Enhanced promotional efforts are necessary to capture this new visitor segment, exploit fully the potential of the booming Mainland outbound market and reinforce our leading market position.

Destination image campaign will also be expanded to cover 24 high potential cities. Specifically targeted campaigns will be mounted in PRD, Beijing and Shanghai aimed at potential individual visitors.

The HKTB will also seek to enhance attractions which appeal particularly to Mainland visitors, e.g. adding rooftop pyrotechnic displays in "A Symphony of Lights" on special occasions.

Tourism Orientation Programme (TOP)

The Programme was launched by the HKTB in 2002 to offer training and workplace attachment at different industry sectors for candidates who aspire to pursue a career in the tourism field. Over the past two years, TOP has trained about 300 individuals. About 70% of the graduates have joined the

tourism industry.

The Programme will continue for two more years with funding of \$20 million to nurture more participants for the tourism industry. In 2004-05, the Programme will provide training for about 130 Tourism Hosts. The HKTB will also review the Programme with a view to continuing the Programme on a self-sustaining basis.

Quality Tourism Services Scheme (QTS Scheme)

The HKTB launched the QTS Scheme in 1999 to promote quality services among retailers and restaurants and help visitors identify quality service providers. The Scheme currently has 963 accredited retail and restaurant merchants representing over 3 500 outlets.

The Scheme is being enhanced further to ensure the quality of service is of a high standard and enhance consumer protection. With additional funding of \$10 million for 2004-05, the HKTB plans to step up publicity both overseas and in Hong Kong. It aims to reinforce the image of Hong Kong as a quality destination in the source markets (especially in Japan, Korea and the Mainland) and to increase visitors' awareness of the Scheme.

The HKTB will collaborate with the QTS merchants to provide special promotional offers during mega-event periods to encourage visitors' spending in Hong Kong and at QTS-accredited merchants in particular.

The HKTB will also launch a merchant booster programme to extend the coverage of the Scheme by recruiting more members. Its target is to increase enrolment by 20% to over 1 100.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

Examination of Estimates of Expenditure 2004-05

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

Reply Serial No.

EDLB(ED)047

Question Serial No.

0754

Head: 145 Government Secretariat: Subhead: 000 Operational expenses
Economic Development and Labour Bureau
(Economic Development Branch)

Programme:

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

Director of Bureau: Secretary for Economic Development and Labour

Question: Under Subhead 000 Operational expenses, the provisions for all items for 2004-05 continue to fall as in the previous two years. The only exception is the item under "Personal Emoluments – Salaries", which, instead of going down, shows an increase of \$2 million over the revised provision for 2003-04 and an increase of more than \$4 million over the provision for 2002-03. Please provide the reasons in detail.

Asked by: Hon. TIEN Pei-chun, James

Reply:

(a) The expenditure on "Personal Emoluments – Salaries" for Economic Development and Labour Bureau (Economic Development Branch) for 2004-05 is about \$2 million higher than the revised estimates for 2003-04. This is mainly attributable to payment for -

		\$ million
(i)	Salary for staff on pre-retirement leave	1.2
(ii)	Effect of full-year salary provision for one Executive Officer responsible for providing administrative support to the Office of SEDL (note 1)	0.3
(iii)	Salary for one Executive Officer to assist in implementing tourism-related initiatives	<u>0.5</u>
	Total	2.0

(b) The expenditure on "Personal Emoluments – Salaries" for Economic Development and Labour Bureau (Economic Development Branch) for 2004-05 is about \$4 million higher than the actual expenditure for 2002-03. This is because, in addition to the above expenses, an additional provision of \$2 million has been made for -

		\$ million
(i)	Salary for one Senior Treasury Accountant to assist the Commissioner for Tourism on financial matters relating to tourism projects such as the Hong Kong Disneyland	1.0

(ii)	Salary for staff to carry out preparatory work for the privatization of the Airport Authority	2.4
(iii)	Effect of full-year salary provision for five supporting staff in the Director of Bureau's Office (note 2)	0.8
(iv)	Salary for staff on loan to the Branch on short-term basis and for staff on leave prior to transferring out of EDB or on training	0.4
(v)	Less: the impact of 2004 and 2005 civil service pay cut	<u>(2.6)</u>
	Total	2.0

Note:

- (1) One Executive Officer post was created in October 2003 to provide executive support to the Office of Director of Bureau, the full-year salary provision in 2004-05 is \$0.3 million higher than the expenditure in 2003-04.
- (2) The Office of the Director of Bureau was set up in July 2002. The five posts were created in 2002-03 and 2003-04. The full-year salary provision for these five posts in 2004-05 was \$0.8 million higher than the expenditure in 2002-03.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)048

Question Serial No.

0863

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

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:

Regarding the estimated expenditure of Director of Bureau's Office for 2004-05, please provide a detailed breakdown of the expenditure by (1) purposes (including the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions, etc.), and (2) expenditure items (salaries and establishment, allowances, job-related allowances and departmental expenses).

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 daily work of SEDL and his staff cover different types of official duties, it is difficult to provide detailed breakdown of their salaries and allowances according to types of official duties. Departmental expenses for the Office of SEDL are covered under the relevant heads of Economic Development Branch and Labour Department. The breakdown of the estimated expenditure by items and establishment of the SEDL's Office is as follows:

SEDL's salary	\$ 3,232,000
Salary of six staff in SEDL's Office (include 1 Administrative Assistant, 1 Personal Assistant, 1 Executive Officer I, 1 Chauffeur, 1 Personal Secretary I and 1 Clerical Assistant)	\$ 2,823,000
Allowances	\$ 145,000

Signature _____
Name in block letters MS SANDRA LEE
Permanent Secretary for
Economic Development and Labour
Post Title (Economic Development)
Date 26.3.2004

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

Reply Serial No.

EDLB(ED)049

Question Serial No.

0864

Head: 145 Government Secretariat: Subhead: 000 Operational Expenses
Economic Development and Labour Bureau
(Economic Development Branch)

Programme:

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

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please list the revised estimate for duty visits outside Hong Kong in 2003-04 for the Secretary for Economic Development and Labour and the Permanent Secretary for Economic Development and Labour (Economic Development), with particulars of : (1) the purposes and details of the visits; (2) the main means of public transport and related expenses for the visits; (3) board and lodging expenses for the visits. What is the corresponding estimated expenditure for 2004-05? Has the Administration laid down a ceiling on the amount of allowances that can be granted and a set of criteria for approving such allowances?

Asked by: Hon. SIN Chung-kai

Reply:

- (1) In 2003-04, the Secretary for Economic Development and Labour (SEDL) undertook duty visits to Denmark, Netherlands, UK, Japan, Malaysia, Singapore, Sri Lanka, Australia and the Mainland. The purposes of these duty visits were : to relaunch HK after the SARS outbreak and promote tourism, port, maritime and logistics development in the aforementioned European countries; to promote Hong Kong's maritime industry and shipping register in Japan; to participate in post-SARS relaunch HK promotional activities; to sign an agreement on avoidance of double taxation (DTA) for shipping and air transport incomes each with Singapore and Sri Lanka, to attend conferences on the new business opportunities under CEPA in Australia; and to discuss tourism and aviation matters with the Mainland authorities.

The Permanent Secretary for Economic Development and Labour (Economic Development) (PSED) undertook duty visits to Spain and the Mainland. The purposes of these duty visits were : to speak on Hong Kong's tourism development at the first World Conference organised by the World Tourism Organisation in Spain; and to the Mainland to discuss port, maritime and logistics, air services and aviation related matters with the Mainland authorities.

- (2) These trips involved mainly air travel and road transport, and ferry services were used for trips to some cities in Guangdong. Provisions of \$169,000 and \$58,000 have been included in the 2003-04 revised estimates to meet such transport expenses for SEDL and PSED respectively. Similar provisions have been made in 2004-05.
- (3) Provisions of \$109,000 and \$19,000 have been included in the 2003-04 revised estimates for subsistence allowances for SEDL and PSED respectively. Similar provisions have been made in 2004-05.

Under the current policy, an officer who is on duty outside Hong Kong may be granted a subsistence allowance at specified daily rates to cover the cost of the appropriate standard of accommodation and meals, laundry charges, casual entertainment, gratuities, travelling expenses within town and all minor incidental out-of-pocket expenses. The rates of the subsistence allowance differ from country to country to take into account the different costs in different countries. The amount of allowance paid is abated in case of sponsorship of hotel accommodation or in cash.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

26.3.2004

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

Reply Serial No.

EDLB(ED)050

Question Serial No.

0865

Head: 145 Government Secretariat: Subhead: 000 Operational Expenses
Economic Development and Labour Bureau
(Economic Development Branch)

Programme:

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

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide a breakdown of the provision for entertainment expenses to be incurred by the Secretary for Economic Development and Labour and the Permanent Secretary for Economic Development and Labour, such as hosting and attending receptions, in the revised estimate for 2003-04 and the estimate for 2004-05. Has the Government set an upper limit for such expenses? Are there any objective criteria for approving such expenses?

Asked by: Hon. SIN Chung-kai

Reply:

A provision of \$232,000 has been included in the revised estimate for official entertainment (local and overseas) by the Secretary for Economic Development and Labour, the Permanent Secretary for Economic Development and Labour (Economic Development), and all staff of the Economic Development Branch. A similar provision has been made in 2004-05.

Under the current policy, expenditure on entertainment may be charged to public funds only when it is directly related to the discharge of an officer's duties or is a necessary part of making or maintaining contacts in his official capacity, and is in the public interest. All such expenditure must be approved by the head or deputy head of the bureau or department personally, or by a directorate officer duly authorised by the head of department.

To further enhance the exercise of economy when entertaining guests, the prevailing general guideline issued is that departments should aim to spend not more than \$250 per person for lunch and not more than \$400 per person for dinner, inclusive of tips.

Signature	_____
Name in block letters	MS SANDRA LEE

	Permanent Secretary for Economic Development and Labour (Economic Development)
Post Title	_____
Date	26.3.2004

Examination of Estimates of Expenditure 2004-05

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

Reply Serial No.

EDLB(ED)051

Question Serial No.

0909

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

Subhead:

Programme:

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

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding policy research projects and the expenditure involved, please provide detailed information on the policy research projects commenced or being conducted by the Economic Development and Labour Bureau itself or with the funding of the Bureau in 2003-04, including

- 1) project title, objective and subject matter;
- 2) expenses;
- 3) latest progress;
- 4) whether the Administration has followed up on the research results.

Also, is there any provision earmarked for policy research in 2004-05? If yes, what is the amount? What are the objectives and subject matters of the respective projects?

Asked by: Hon. LEE Chu-ming, Martin

Reply:

Our major task is to formulate and co-ordinate policies in respect of areas under our purview. To achieve this we carry out extensive and intensive research into these areas using as far as possible information available and with in-house resources. In view of the wide range and the large amount of such research work it is impossible to list each and every task. If consultants are used, we have prepared a breakdown in response to a separate question on that particular subject. Details of the more important items for ongoing work and new initiatives are listed in the Policy Agenda accompanying the Chief Executive's Policy Addresses and highlighted in the Controlling Officer's Report. It is impossible to give a breakdown on expenditure for each of these items as we have not conducted detailed costing work for each of them. However, we have provided an indication of the expenditure involved in each of our programmes in the Controlling Officer's Report. If after research, consultation and deliberation, a new policy should be introduced, we shall consult the relevant panel of the Legislative Council.

Signature

Name in block letters

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title

Date

26.3.2004

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

Reply Serial No.

EDLB(ED)052

Question Serial No.

0983

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:

Amongst the matters requiring special attention in 2004-05, the HKTB will develop high potential markets including the Mainland, South Korea, the Philippines and Thailand and, in the meantime, continue to cultivate high priority markets such as Taiwan and Japan. So, what are the proportions of provisions allocated for promotional and publicity activities in each of the markets aforesaid? Apart from that, the plans to expand international tourist markets such as European and American countries are not included amongst the matters requiring special attention in 2004-05. Does this mean they are not the development targets in 2004-05? What are the proportions of provisions allocated for promotional and publicity activities in such markets?

Asked by: Hon. HUI Cheung-ching

Reply:

The World Travel Organization projects that by 2010, the number of visitors to the East Asian and Pacific region will reach 195 million and the number of outbound tourists from this region will grow to 193 million. It is therefore crucial for Hong Kong, located right in the hub of Asia, to attract long-haul visitors heading for Asia as well as those from short-haul markets in the region.

The outbound travel boom in Mainland China, South Korea, the Philippines and Thailand has driven up the number of visitor arrivals from these markets in recent years. To consolidate Hong Kong's market share, the Hong Kong Tourism Board (HKTB) will step up trade networking and marketing promotions in these markets in 2004-05. In addition, the HKTB will continue its promotions in Taiwan, Japan, Europe and the Americas, as they continue to be important source markets for Hong Kong.

The marketing budget for Mainland China, South Korea, the Philippines, Thailand, Taiwan, Japan, Europe and the Americas in 2004-05 is as follows:

- (1) Mainland China - HK\$41.82 million, 13.2% of the estimated total marketing expenditure
- (2) South Korea - HK\$18.55 million, 5.9% of the estimated total marketing expenditure
- (3) Philippines - HK\$8.83 million, 2.8% of the estimated total marketing expenditure
- (4) Thailand - HK\$9.96 million, 3.2% of the estimated total marketing expenditure
- (5) Taiwan - HK\$33.64 million, 10.6% of the estimated total marketing expenditure
- (6) Japan - HK\$42.27 million, 13.4% of the estimated total marketing expenditure
- (7) Europe - HK\$61.42 million, 19.4% of the estimated total marketing expenditure

(8) The Americas - HK\$53.26 million, 16.9% of the estimated total marketing expenditure

There will be additional one-off funding of \$45 million to enhance marketing effort in the Mainland in 2004-05.

The HKTB will sustain its efforts to maintain a balanced portfolio of visitors, which is important not only to maintain Hong Kong's reputation as an international city but also for the long-term growth of the tourism industry.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)053
Question Serial No.
0985

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

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 :

For Programmes (2), (3), (4) and (5), how much resources was used and is estimated to be used by the Economic Development and Labour Bureau on appointment of consultants to conduct various studies in the last and the new financial years respectively? What measures can be taken to economise on the expenditure for consultancy studies? Has consideration been given to commissioning more local universities and research agencies to conduct the studies in order to achieve savings in such expenditure? Are there any methods and measures for assessing whether value-for-money is achieved in respect of the consultancy studies undertaken by these consultants?

Asked by: Hon. TING Woo-shou, Kenneth

Reply:

On Programme (2), we spent about \$5.7 million on two consultancy studies relating to port and logistics development in 2003-04, and has set aside \$1.9 million for one of them in 2004-05.

On Programme (3), we spent about \$521,000 in 2003-04 on consultancy studies in connection with the electricity market review, and the expenditure in 2004-05 in this regard is to be determined.

In addition, in 2004-05, we will commission a consultancy study to look into the competition aspects of some local real estate developers' practice in running concurrently other businesses such as estate management, retail and telecommunications; and making use of their residential developments as platforms for these businesses. The estimated expenditure is \$300,000. To ensure impartiality and familiarity with the local situation, the study will be conducted by local academics and we have invited study proposals from the eight local universities.

On Programme (4), we did not commission consultancy studies in 2003-04 and no specific funding has been allocated in 2004-05 for the purpose.

On Programme (5), we did not commission consultancy studies in 2003-04.

For 2004-05, \$7.3 million has been reserved for conducting consultancy studies on the development of spa and resort facilities and on the cruise market. Organisations, including local universities and research institutions, with proven expertise and the capability required to undertake the work required will be invited to tender for the consultancy studies. We believe the use of an open and competitive tendering process will ensure value for money.

Generally speaking, to save expenses, we only engage outside consultants to undertake studies when there is a lack of the required expertise in-house.

The engagement of outside consultants is subject to stringent and transparent selection procedures to ensure fairness to all candidates. The consultants so engaged must possess the expertise required of the study in question, demonstrate a good understanding of the specific requirements of the project, and be able to provide a practical study proposal for follow up action. The consultancy fee proposed by the selected candidate must also be within our estimated expenditure. Whether the consultants are local universities or local research institutions is not the primary consideration in the selection of consultants. In compliance of these principles, we have indeed engaged local universities and local research institutions in the past for consultancy studies.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	26.3.2004

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

Reply Serial No.
EDLB(ED)054
Question Serial No.
0988

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

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 measures will the Government adopt in the development of the Digital Trade and Transportation Network (DTTN) System in 2004-05? What are the manpower and resources requirements for these measures? When is the DTTN System expected to be put into service?

Asked by: Hon. TING, Kenneth Woo-shou

Reply:

We are in discussion with Tradelink Electronic Commerce Limited with a view to concluding an operating agreement to launch the Digital Trade and Transportation Network (DTTN) System in 2005. No specific funding has been allocated for this project. We are using existing resources to take the project forward.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

26.3.2004

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

EDLB(ED)055

Question Serial No.

1076

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

Subhead:

Programme: (3) Post, 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 consideration of options for the future development of the electricity supply sector after 2008, does the Government intend to work out preliminary options and carry out public consultation within 2004-05? If so, what are the details and the timetable of work?

Asked by: Hon. LAU Chin-shek

Reply:

The Government plans to prepare a consultation document on the development of the electricity sector after 2008 and seek the views of the public in two stages. The first stage aims to seek views on possible options for the development of the post-2008 electricity market and should be completed in 2004-05. This would be followed by a second stage of consultation which aims to map out the direction and framework for the future electricity market in Hong Kong so as to enable the Government to finalize, in good time, firm proposals for the post-2008 electricity market.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

26.3.2004

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

Reply Serial No.

EDLB(ED)056

Question Serial No.

1077

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

Subhead:

Programme: (3) Post, 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 respect of the introduction of piped natural gas to enhance competition in the domestic fuel gas market, what is the progress so far? What is the specific work for the year ahead and what are the anticipated results?

Asked by: Hon. LAU Chin-shek

Reply:

The availability of reliable, secure and affordable supplies of natural gas is a key factor for the development and introduction of natural gas at the household level. We will continue to monitor the development of supply sources close to Hong Kong and at present do not have any plans to study in the infrastructural requirements for the introduction of natural gas at the household level.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

26.3.2004

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

Reply Serial No.

EDLB(ED)057

Question Serial No.

1121

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:

- (a) What were the staff establishment and the number of staff for each rank in the Consumer Council in 2003-04? What was the payroll cost for staff in each rank?
- (b) What are the staff establishment and the number of staff for each rank in the Consumer Council in 2004-05? What is the payroll cost for staff in each rank?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

(a) & (b)

The Consumer Council (CC) estimates that its staff establishment in 2004-05 will be the same as that in 2003-04, details as follows -

	No.	Personal Emoluments for 2003-04 (\$)	Estimated Personal Emoluments for 2004-05 (\$)
Directorate	2	3,593,000	3,931,000
Executive staff between Master Pay Scale Points 34 and 49	16	17,375,000	15,357,000
Executive staff between Master Pay Scale Points 11 and 33	53	24,421,000	25,236,000
Clerical/secretarial and other support staff	53	13,220,000	12,302,000
Total:	124	58,609,000	56,826,000

Changes in expenditure on personal emoluments are attributable to provisions for -

- (i) salaries reduction: the CC will reduce the salaries of all its staff in 2004 and 2005 in line with the adjustment in civil service salaries, although the CC's staff are not civil servants;
- (ii) salary increments for individual staff according to the incremental points on their pay scales; and
- (iii) end-of-contract gratuity: some of the CC's staff are employed on contract terms and eligible for end-of-contract gratuity upon satisfactory completion of the contract.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)058
Question Serial No.
1125

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:

- (a) What is the staff establishment, strength and payroll cost of each rank in the Hong Kong Tourism Board in 2003-04?
- (b) What will be the staff establishment, strength and estimated payroll cost of each rank in the Hong Kong Tourism Board in 2004-05?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

The establishment, headcount, and salary cost of the Hong Kong Tourism Board (HKTB) staff in 2003-04 and 2004-05 are as follow:

	FY03-04 Revised Estimate		FY04-05 Budget	
	Headcount	Salary-related Cost ^{Note1}	Headcount	Salary-related Cost
Directors	2	\$6,032,004	2	\$6,452,004
General Managers	6	\$8,989,015	6	\$10,154,414
Senior Managers / Managers	40	\$34,283,582	40	\$35,286,757
Assistant Managers/ Senior Executives/ Executives	103	\$34,413,512	104	\$35,951,671
Officers & below	71	\$14,276,404	74	\$14,350,289
Total	222	\$97,994,517 ^{Note2}	226 ^{Note3}	\$102,195,135

Remarks:

Note1 The salary-related cost includes salary, 13-month pay, gratuity, contribution to retirement schemes, and over-time allowance (where applicable).

Note2 As there were vacancies in 2003-04, hence, the revised estimate for salary-related cost was

HK\$2.80 million less than the budgeted amount.

Note3 In 2004-05, the number of staff at the HKTB Head Office will increase from 222 to 226. Among these four staff members, one will be responsible for strategic planning as a result of the increased number of market studies while the other three will be deployed to the newly established Lo Wu visitor service counter.

Signature _____

Name in block letters _____ MS SANDRA LEE

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

Date _____ 26.3.2004

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

Reply Serial No.

EDLB(ED)059

Question Serial No.

1200

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

Programme: (6) Subvention : Consumer Council

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

Director of Bureau: Secretary for the Economic Development and Labour

Question:

The provision for the Consumer Council in 2003-04 was lower than the past years, while that for 2004-05 will be further reduced. Yet in 2003-04, the number of consumer complaints rose significantly and the average time required for handling each complaint increased by 3 days to 27 days. Will the further reduction in provision compromise its work on consumer protection?

Asked by: Hon. LI Wah-ming, Fred

Reply:

Although the subvention to the Consumer Council (CC) is reduced by 2.3% in 2004-05 compared with the revised estimates for 2003-04, the resources deployed to handle consumer enquiries and complaints have not been reduced.

In anticipation of an increase of about 4% and 2% respectively in the number of consumer complaints and enquiries, the CC has assessed the impact on its performance and made suitable arrangements to deal with the anticipated increases. Arrangements made include redeployment of staff and streamlining the procedures for handling complaints. With these arrangements, their assessment is that except for minor adjustment to the targets for the following three services, the performance of the CC in all other services should not be affected -

- (1) for issuing preliminary reply to complex written enquiries, the target will be changed from five working days to six working days;
- (2) for issuing written reply to or progress on complaints received, the target will be changed from 24 working days to 27 working days; and
- (3) for telephone enquiries or complaints, the target response time will be changed from all to 75% of the calls to be answered immediately or within three minutes.

The CC will in effect process the complaints and enquiries referred to in items (1) and (2) above expeditiously. The slight adjustment to the target time for issuing written replies should not therefore have any substantive impact on the CC's work in protecting consumer interests.

Generally speaking, the CC can respond to telephone calls referred to in item (3) within one minute, although the response time during peak hours may be longer. In this connection, the CC will

replace the existing systems with an upgraded interactive telephone answering system in 2004-05 with a view to improving its telephone enquiries and complaint services.

The CC will continue to monitor the situation closely and redeploy its staff as and when necessary to ensure more efficient use of resources.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

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

Date _____ 26.3.2004 _____

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

Reply Serial No.

EDLB(ED)060

Question Serial No.

1201

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 Consumer Council need to curtail some services or close some facilities in the financial year 2004-05 because of the reduction in funding? If yes, what service(s) or facilities will be curtailed?

Asked by: Hon. LI Wah-ming, Fred

Reply:

None of the existing services or facilities of the Consumer Council (CC) will be curtailed or closed in the financial year 2004-05 because of reduction in funding.

With most of the complaints and enquiries received by telephone or by electronic mail in recent years, the proportion of complaints and enquiries filed in person by consumers at the Consumer Advice Centres (CACs) has become smaller and diminishing (vide **Annex 1**). The CC plans to close down in 2004-05 three of its CACs where patronage is low or which are in service areas also partially serviced by another CAC, and re-deploy the staff resources to the CC Hotline Centre to strengthen the telephone complaints and enquiries services. A list of the 11 CACs, including the three planned for closure, is at **Annex 2**.

The CC expects to be better able to meet the needs of its clients with this re-deployment of resources because many complaints and enquiries can be fully dealt by telephone, facsimile or the Internet; and there is no need for the complainants or the enquirers to attend in person.

Moreover, with more and more people obtaining consumer protection related information via the CC website, the CC has since January 2004 launched the Online CHOICE Magazine.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

I. Complaints	<u>2002</u>	<u>2003</u>
Received via telephone or electronic mail	14,745 (64.4%)	18,629 (70.3%)
Received via Consumer Advice Centres	8,145 (35.6%)	7,872 (29.7%)
Total	22,890 (100%)	26,501 (100%)

II. Enquiries	<u>2002</u>	<u>2003</u>
Received via telephone or electronic mail	104,116 (87%)	124,112 (88.3%)
Received via Consumer Advice Centres	15,557 (13%)	16,372 (11.7%)
Total	119,673 (100%)	140,484 (100%)

Consumer Council: Consumer Advice Centre

I. Headquarter : 22/F K. Wah Centre, 191 Java Road, North Point
(with consumer advice service)

II. District Consumer Advice Centre

HONG KONG ISLAND

Central & Western G/F Harbour Building, 38 Pier Road, Central

☞ Eastern Level 1 New Jade Garden, 233 Chaiwan Road

KOWLOON

Tsimshatsui 3 Ashley Road, Tsimshatsui

San Po Kong Unit 201 Lung Cheung Office Block,
138 Lung Cheung Road, Wong Tai Sin

Shamshuipo G/F Government Offices Building,
303 Cheung Sha Wan Road, Shamshuipo

NEW TERRITORIES

Shatin Rm 442, 4/F Shatin Government Offices, Sheung Wo Che
Road, Shatin

☞ Fanling G/F Government Offices Building,
3 Pik Fung Road, Fanling

☞ Kwai Hing Shop 3 Kwai Fong Shopping Centre, Kwai Fong Estate

Tsuen Wan Rm 105 Princess Alexandra Community Centre,
60 Tai Ho Road, Tsuen Wan

Yuen Long G/F Government Offices Building,
269 Castle Peak Road, Yuen Long

☞ Centres to be closed in 2004-05.

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

Reply Serial No.
EDLB(ED)061
Question Serial No.
1202

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

Programme: (6) Subvention: Consumer Council

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

Director of Bureau: Secretary for the Economic Development and Labour

Question: The number of complaints received by the Consumer Council in 2003-04 were nearly 4 000 more than that in 2002-03. Please list out the number and nature of complaints received as well as the types of complainants over the two years.

Asked by: Hon. LI Wah Ming, Fred

Reply:

Due to time constraint, the Consumer Council (CC) is unable to provide breakdown of the complaints it received in 2002 and 2003 by nature of the complaints, and has provided instead, breakdown of the complaints by services or products, as follows -

	<u>2002</u>	<u>2003</u>
I. <u>Nature of complaints</u>		
Services-related complaints	13,872	15,073
Products-related complaints	9,018	11,428
Total :	22,890	26,501

	<u>2002</u>	<u>2003</u>
II. <u>Types of complainants</u>		
Tourists (Mainland Tourists)	1,188(519)	1,234(728)
General Public	21,702	25,267
Total :	22,890	26,501

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.

EDLB(ED)062

Question Serial No.

1203

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

Subhead :

Programme: (6) Subvention: Consumer Council

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

Director of Bureau: Secretary for the Economic Development and Labour

Question: For forging closer co-operation with consumer associations in the Mainland, what is the action plan and how much expenditure is required?

Asked by: Hon. LI Wah-ming, Fred

Reply:

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

With the increase in the number of visitors travelling between Hong Kong and the Mainland, the CC works even more closely with Mainland consumer associations through visits, seminars and dissemination of consumer protection information etc.

The CC had originally planned to organize, and invite representatives of Mainland consumer organisations to participate in, a seminar in 2004-05 to forge closer co-operation with consumer associations in the Mainland, facilitate handling of consumer complaints by relevant parties, and help Mainland tourists understand market practices in Hong Kong.

The CC had subsequently decided to bring forward the seminar and stage it as a panel discussion in the "Hong Kong – The Real Experience" forum^{Note} held in March 2004. The forum provided an opportunity for exchanges between representatives from the Mainland consumer associations and local businesses with the view to fostering understanding, exchanging information and sharing experience. Local businesses in the jewellery, watches, audio-visual appliances and cosmetics sectors, whose products are the most popular among Mainland tourists participated in the Panel discussion.

The CC has yet to develop other plans for working together with Mainland consumer organisations in 2004-05.

^{Note} "Hong Kong – The Real Experience" is organised by the Intellectual Property Department and the Customs and Excise Department in March 2004. The CC collaborated by inviting representatives of consumer associations in 18 provinces/cities in the Mainland, including Guangdong, Jiangsu, Zhejiang, Hebei, Sichuan, Zhuhai, Shenzhen and Guangzhou to participate in the event, the forum focused on issues such as marketing strategy and the benefits of no-fake sales, the Trade Marks Ordinance, the Trade Descriptions Ordinance, and how to distinguish between pirated and genuine goods.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

Examination of Estimates of Expenditure 2004-05

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

Reply Serial No.

EDLB(ED)063

Question Serial No.

1205

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

Subhead : 700 General non-recurrent
Item 015

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 Government's expenditure on this aspect for 2003-04 is \$5,000. Please state the details of work involved. What is the anticipated expenditure for 2004-05 and what will be the work in involved?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The revised estimate of \$5,000 for 2003-04 was for maintaining and updating the Competition Policy Advisory Group (COMPAG) website. To enhance public understanding of the Government's policy on competition and COMPAG's work, COMPAG has since October 2002, provided information on its work through the COMPAG website. The COMPAG Annual Reports and other competition-related publications are also posted on the website for easy access by members of the public.

In 2004-05, we have made provisions of \$80,000 to cater for expenses arising from maintaining and updating the COMPAG website, and for publicity measures such as printing publicity materials as and when necessary.

Signature _____

Name in block letters _____ MS SANDRA LEE

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

Date _____ 26.3.2004

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

Reply Serial No.

EDLB(ED)064

Question Serial No.

1206

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

Subhead : 700 General non-recurrent
Item 014

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 are the details (including the research targets) of the consultancy services and what
recommendations have the consultants made so far?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The provision under Item 014 is for conducting specific studies as and when necessary and engaging consultants to produce educational materials to enhance the public's understanding of anti-competitive practices.

In 2003-04, we commissioned the Hong Kong Education City to develop interactive educational games for release on the Internet to nurture awareness and promote understanding of anti-competitive practices among students and the youth. The production work is in progress and is expected to be completed by mid-2004. No specific study was commissioned during 2003-04.

In 2004-05, the Competition Policy Advisory Group (COMPAG) has decided to commission a consultancy study to look into a concern raised by the Hon Fred LI Wah-ming about the competition aspects of some local real estate developers' practice in running concurrently other businesses such as estate management, retail and telecommunications; and making use of their residential developments as platforms for these businesses. To ensure impartiality and familiarity with the local situation, COMPAG has decided that the study should be conducted by local academics and has invited study proposals from the eight local universities.

Signature _____
Name in block
letters

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title
Date

26.3.2004

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

Reply Serial No.

EDLB(ED)065

Question Serial No.

1296

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

Subhead:

Programme:

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

Director of Bureau: Secretary for Economic Development and Labour

Question:

The 2004 Policy Address has mentioned about the need to raise the standard of policy research undertaken by the Government:

“To improve our governance, we must raise the level of sophistication with which both the Government and the community handle policy issues. We need to do more public policy research, particularly from a macro and long-term perspective. Objective and concrete public policy research will help us better realise the objectives of effective governance. It will help us avoid sweeping, politicised and emotional policy debates, thus making it easier for the Government and various sectors of the community to reach a consensus on public issues. This will ensure that our policies are implemented more effectively and better able to serve the long-term development needs of Hong Kong.”

Please advise whether provision has been made or resources deployed in the 2004-05 Estimates to take forward a stated commitment of the Policy Address that public policy matters will be pursued with a higher standard. If yes, please give a detailed account of the projects funded. If not, what are the reasons for that?

Asked by: Hon. SIN Chung-kai

Reply:

Since the publication of the 2004 Policy Address, Central Policy Unit (CPU) has been exploring ways to promote research on public policy issues and develop the human resources required. CPU is formulating an agenda for policy research so as to take forward research on priority issues. To meet this objective, CPU will carry out relevant research work using in-house resource as far as possible. It is hard to estimate the full resource implications at this juncture.

Signature

Name in block letters

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour Bureau
(Economic Development)

Post Title

Date

26.3.2004

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

Reply Serial No.

EDLB(ED)066

Question Serial No.

1663

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: Under Matters Requiring Special Attention in 2004-05, it is stated that the HKTB plans to increase its productivity through continuous work process re-engineering, integration and automation. What are the details and the resources involved? Will the proposal lead to a reduction in manpower and how will it enhance the efficiency and productivity of the Board?

Asked by: Hon. CHAN Kam-lam

Reply:

The Hong Kong Tourism Board (HKTB) has implemented various initiatives to enhance efficiency and productivity over the past few years. These include:

- Re-organised the structure and reduced headcount from 325 in 2000-01 to 222 in 2003-04 for its Head Office and from 95 to 89 for its worldwide offices in the same period.
- Decentralised some administration processes, resulting in reduction in staff in the office administration team.
- Introduced more automation, standardisation and streamlining of processes.
- Brought in new expertise, e.g. information-based decision making, quantitative marketing skills, strategic planning and integrated marketing.
- Increased productivity by extending the role of worldwide offices to cover marketing and promotional activities in peripheral cities in the region.
- Outsourced non-core activities such as the Visitor Services Hotline and printed matters of the HKTB.

In 2004-05, the HKTB will continue to implement the above initiatives to enhance productivity.

As a result of the enhancement initiatives, the HKTB has reduced its ratio of fixed cost to marketing cost from 39% : 61% in 2000-01 to 35% : 65% in 2003-04.

Signature

Name in block letters

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title

Date

26.3.2004

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

Reply Serial No.

EDLB(ED)067

Question Serial No.

1664

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:

Please provide details of the "action plan for eco-tourism development in Northern New Territories" proposed for 2004-05, including its phases of development, the areas involved, forms of development, the total costs required and the provision for each phase, as well as the ways to assess the economic benefits to be achieved.

Asked by: Hon. CHAN Kam-lam

Reply:

The Consultancy Study on "Development of Tourism in the Northern New Territories" has identified five priority clusters which are considered to have the highest potential for tourism development. Out of these five clusters, an inter-departmental committee has earmarked two areas, namely Tung Ping Chau, and the north shore of Tolo Channel to the Plover Cove Reservoir as pilot areas for green tourism projects. The above committee will consider improvements to the basic infrastructure such as pier, sewerage, electricity and water supply to the areas to ensure the sustainability of these tourism development projects. The committee is still working on the details of the projects and no estimated costs are available at this stage. We will seek funding approval from the Legislative Council when the estimated costs have been worked out.

Green tourism is widely acknowledged to be an important growth market in global tourism. Development of green tourism will help to diversify Hong Kong's attractions and strengthen our position as Asia's World City. It will draw high yield tourists thereby benefiting the tourism industry and the economy of Hong Kong as a whole. The economic benefits of individual projects are part of the project assessment process.

Signature	_____
Name in block letters	MS SANDRA LEE
	Permanent Secretary for Economic Development and Labour (Economic Development)
Post Title	_____
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)068

Question Serial No.

1665

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 is the progress of working with Ocean Park to formulate its strategic development plan? What is the estimated expenditure for this purpose in 2004-05? Will the Government provide subsidy, land, etc. to assist in or facilitate the Ocean Park's development plan?

Asked by: Hon. CHAN Kam-lam

Reply:

Ocean Park (OP) is currently reviewing its long term development strategy. A Development Group, working under the Task Force on Redevelopment of Ocean Park and Tourist Attractions in Aberdeen (OP Task Force) chaired by the Financial Secretary, is now working on a proposal for the renovation and future development of OP. The proposed way forward and any requirements to fund the proposed development plan will be the recommendations of the Development Group when it completes its work. The recommendation will be submitted to the OP Task Force. The Government will continue to work closely with OP to assist them to map out and implement the development strategy.

Signature	_____
Name in block letters	MS SANDRA LEE
	Permanent Secretary for Economic Development and Labour (Economic Development)
Post Title	_____
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)069

Question Serial No.

1666

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:

As the number of cities opening up for Individual Visit Scheme is on the increase, what are the details of the preparatory work which are already implemented or in conceptual stage? What is the amount of resources involved?

Asked by: Hon. CHAN Kam-lam

Reply:

The Individual Visit Scheme was introduced on 28 July 2003. 14 cities in Guangdong Provinces, Beijing and Shanghai have implemented the Scheme so far and the Scheme will be extended to the remaining seven Guangdong cities by May 2004.

To prepare for the expected upsurge of visitor arrivals from the Mainland, we have since July 2003 coordinated actions among relevant government departments and the trade to implement measures to enhance the flow of visitors through the boundary control points, increase the capacity of transportation facilities and streamline manpower deployment. Many of the measures adopted for the last National Day Golden Week, Christmas and Chinese New Year Golden Week proved very effective in providing the capacity to handle large volumes of visitors. We have reviewed these measures and they will be deployed in future response to the anticipated growth in arrivals.

We will continue to maintain close liaison with Guangdong Provincial Tourism Administration in respect of immigration clearance, resources management, dissemination of consumer protection information, travel tips as well as health information.

The HKTB will be allocated an additional \$45 million in 2004-05 to step up its marketing efforts in the Mainland. Specifically targeted campaigns will be mounted in Guangdong province, Beijing and Shanghai to attract potential individual visitors to Hong Kong. The HKTB is currently working out the details of these new campaigns.

We will monitor the situation and devise appropriate measures to cope with additional visitor arrivals. At present, we deploy existing resources to handle the growth in arrivals.

Signature	_____
Name in block letters	MS SANDRA LEE

	Permanent Secretary for Economic Development and Labour (Economic Development)
Post Title	_____
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)070

Question Serial No.

1667

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

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: Please advise the amount allocated for the improvement of weather services in 2004-05. What are the major areas of expenditure? What was the amount allocated in 2003-04? How effective was the improvement programme? How to assess the effectiveness of the improvement programme in 2004-05?

Asked by: Hon. CHAN Kam-lam

Reply:

The allocation in 2004-05 in respect of weather services under Head 145 is around \$0.3 million. This covers mainly the costs of staff involved in policy oversight for weather service and related operating expenses. The allocation in 2003-04 was also around \$0.3 million.

The actual improvement work on weather services is funded under Head 168 Hong Kong Observatory in 2003-04 and CWRF Head 710 Subhead A007GX Computerization Block Vote in 2004-05. The amount allocated under Head 168 Hong Kong Observatory for such improvement work in 2003-04 was \$2 million, which was used to upgrade computer facilities for the development of a rainstorm prediction system up to six hours ahead. The system will start to operate in mid-2005. The allocation under CWRF Head 710 A007GX Computerisation Block Vote in 2004-05 is around \$13 million, which will be used to replace and combine the existing Dial-a-Weather System and Telephone Information Enquiry System, and to enhance the thunderstorm warning service. To assess the effectiveness of its efforts in improving its services, the Hong Kong Observatory regularly conducts public opinion surveys to gauge the community's level of satisfaction regarding its overall services and will continue to do so in 2004-05.

Signature	_____
Name in block letters	MS SANDRA LEE
	Permanent Secretary for
	Economic Development and Labour
	(Economic Development)
Post Title	_____
Date	26.3.2004

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

Reply Serial No.

EDLB(ED)071

Question Serial No.

1714

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:

The Economic Development and Labour Bureau only makes a provision of \$41.80 million for the programme of Travel and Tourism in 2004-05, a drastic cut of \$100.9 million (70%) from the revised estimates of 2003-04. What is the reason for this? How will the \$41.80 million allocation be used? What kind of activities or development programme now underway will be affected by the shrinkage in allocation? What are the specific details?

Asked by: Hon. LEUNG Fu-wah

Reply:

Non-recurrent funding of \$98 million was approved by Finance Committee of the Legislative Council in July 2003 for a time-limited project called "Tourism Development Assistant (TDA) Training Project" which created 3 000 short-term jobs and training for young people for six months. The Project ended in March 2004. In view of the improved tourism performance industry, the TDAs who have undergone systematic training will stand better to have a longer term career development in the industry. Having reviewed the operation needs of the departments concerned, we will recruit 205 TDAs in 2004-05 to work at the border to assist visitors.

The reduction of 70.7% from the financial provision for 2004-05 is mainly due to reduced cashflow requirement in 2004-05 for the above project.

The Tourism Commission (TC) staff and operational expenses are funded by this \$41.8 million financial provision. The TC is responsible for formulating policies on tourism development and coordinate implementation of tourism projects and initiatives in consultation with the trade. The reduction in funding provision will not affect TC's existing work and projects.

Signature _____

Name in block letters _____ MS SANDRA LEE

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

Date _____ 26.3.2004

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

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:

The Economic Development and Labour Bureau intends to allocate \$540.2 million to the Hong Kong Tourism Board as subvention in 2004-05, please advise details of specific development programmes, the allocation for each programme and the timetable for implementation.

Asked by: Hon. LEUNG Fu-wah

Reply:

The recurrent subvention allocated to the Hong Kong Tourism Board (HKTB) is mainly used for meeting its fixed and marketing costs.

Fixed Cost

The fixed cost items include staff remuneration, office rental for Head office and worldwide offices, and other office overheads. In 2004-05, the projected fixed cost is \$202 million.

Marketing Cost

In 2004-05, the projected expenditure on marketing is \$405.97 million. Of these, 56% will be used for short haul markets and 44% for long haul markets.

(a) Worldwide Marketing

The HKTB will continue to conduct marketing activities in seven regions, including -

- The Americas
- Europe, Africa & the Middle East
- Australia, New Zealand & South Pacific
- North Asia
- South & Southeast Asia
- Taiwan
- Mainland China

Given the outbound travel boom in Mainland China, South Korea, the Philippines and Thailand, the HKTB will step up promotions in these markets in 2004-05 to consolidate and increase Hong Kong's market share.

To sustain Hong Kong’s reputation as an international city and the long-term growth of the tourism industry, it is crucial to maintain a balanced portfolio of visitors. The HKTB will continue its promotions in Taiwan, Japan, Europe and the Americas.

The HKTB’s global promotional strategies comprise three categories:

- On media activities, the HKTB will use the mass media to ensure high-level exposure and reinforce positive perceptions about Hong Kong. Through the ‘Hong Kong – Live it, Love it!’ global advertising campaign, public relations activities, media familiarisation visits, features and advertorials in newspapers and magazines, the HKTB will establish Hong Kong’s image as the world’s premier destination.
- On consumer promotions, roadshows and online games will be launched to increase visitors’ knowledge of and interest in our city.
- On trade promotions, the HKTB will organise familiarisation trips, trade shows and travel missions to enable the Hong Kong travel trade to meet and strengthen partnership with their counterparts overseas.

(b) Marketing in Hong Kong

The HKTB acts as a facilitator for the travel industry and tourism-related sectors by launching promotional activities in Hong Kong designed to create business platforms for the travel industry.

- In 2004-05, the HKTB will enrich the experience of visitors and encourage their spending by organising a series of mega-events in Hong Kong. These will include the launching of the Avenue of Stars, the Shopping Festival, the Best of the Best Culinary Awards, the Hong Kong WinterFest and the International Chinese New Year Parade.
- Taking into account the growth in individual travel worldwide and the extension of the Individual Visit Scheme to more Mainland cities, the HKTB will focus on developing new information dissemination channels such as adopting advanced communication technology and reinforcing the visitor enquiry services to provide visitors with up-to-date tourist information.
- The HKTB will continue to improve the industry’s service standards and ethical practices through the Quality Tourism Services (QTS) scheme. During the mega-event periods, the HKTB will collaborate with the QTS merchants to provide special promotional offers for visitors to encourage their spending.
- As regards the industry’s manpower training, the HKTB will extend the Tourism Orientation Programme (TOP) for another two years. In 2004-05, the Programme plans to provide training for 130 Tourism Hosts.

Signature _____

Name in block letters MS SANDRA LEE

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

Date 26.3.2004

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

Reply Serial No.
EDLB(ED)073
Question Serial No.
1735

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 identifying a suitable location in North Lantau to construct a value added logistics park? When is the project expected to be completed ?

Asked by: Hon. LAU Chin-shek

Reply:

We have selected Tai Ho at North Lantau as the site for the development of a value added logistics park (VALP). In 2004-05, we will consult the logistics sector through the Hong Kong Logistics Development Council, to ensure that the development of the VALP will cater for the practical needs and expectations of the logistics sector and attract private investment.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	26.3.2004

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

Reply Serial No.
EDLB(ED)074

Question Serial No.

Head : 168 Hong Kong Observatory

Subhead:

1582

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

Regarding the replacement and integration of the Dial-a-Weather system and the Telephone Information Enquiry System, please advise :

- (a) What is the estimated expenditure for the replacement of the above mentioned systems? Please provide breakdowns including system development, procurement of hardware, maintenance, etc. (if applicable)
- (b) How can the cost effectiveness of the service be improved after integration of the two systems?
- (c) Will the new system provide a function for enquiry and receipt of weather information through Short Message Service, or other new functions? If yes, please give details.

Asked by : Hon. SIN Chung-kai

Reply :

- (a) The replacement and integration of the Dial-a-Weather System and the Telephone Information Enquiry System is included under CWRF Head 710 Subhead A007GX Computerization Block Vote. The estimate is \$4,900,000, broken down into \$2,650,000 for hardware and software, \$1,150,000 for implementation services, \$700,000 for setting up communication lines and training, and \$400,000 for contingencies. The estimated recurrent expenditure is \$1,020,000, making up of \$480,000 for communication line rental and \$540,000 for maintenance.
- (b) By integrating the two systems, the cost-effectiveness of the service is raised through : (i) use of text-to-speech technology to replace manual recording with saving in staff resources equivalent to \$40,000 p.a.; (ii) saving of recurrent expenditure of \$40,000 p.a. in communication line rental and maintenance; (iii) reducing telephone numbers from 6 to 1 making it easier for users to remember, and raising the efficiency of telephone line utilization; and (iv) use of interactive voice response technology to facilitate users to select the required information.
- (c) The planned system will not provide enquiry and retrieval of weather information through Short Message Service. The major improvement in the new system is to use text-to-speech technology to replace manual recording, thus enhancing the cost-effectiveness of the system.

Signature	_____
Name in block letters	_____ C Y LAM _____
Post Title	_____ Director of the Hong Kong Observatory _____
Date	_____ 25.3.2004 _____