

**Third Meeting of the  
EEC Subgroup on Business Facilitation**

***Agenda Item 6 : Progress Report on Business Facilitation Work***

**Purpose**

Members are invited to note the business facilitation work in progress.

**Setting up of Task Forces**

2. Two task forces have been set up under the Economic and Employment Council Subgroup on Business Facilitation to steer and oversee the review of regulatory activities in the pre-construction stage and the regulatory requirements affecting the retail sector. The primary objectives of both task forces are to eliminate outdated, repetitive, or excessive regulations and to cut red tape with a view to enhancing the business-friendliness of the respective sector.

3. The Pre-Construction Task Force led by Mr Keith Kerr has altogether 13 members comprising developers, Authorized Persons, a solicitor, a town planner and a LegCo Member. The first meeting of the Pre-Construction Task Force was held on 6 October at which members had a candid discussion on the prevailing issues and agreed that the Task Force would focus its work on simplification of lease conditions, lease modification mechanism including premium assessment, alignment of ordinances, needs to further delegate authorities and a review of the town planning procedures to clarify authority, re-define scope and improve efficiency.

4. The Retail Task Force is led by Mr P C Yu and membership includes representatives drawn from a wide spectrum of the retail sector. At the first Task Force meeting held on 7 October, members noted the vast number of related ordinances and regulatory activities of past, present and future. Members were concerned about the resources and time required to go through all of them, hence the Task Force would concentrate on

regulations that were affecting the trade at present and those being proposed. Examples of the latter included the proposed nutrition labelling scheme and the proposed scheme to require mandatory registration and labelling of the content of volatile organic compounds in specified products. The meeting agreed that the initial work programme would cover food/catering, supermarket and chain store, beauty products/cosmetics and medicines.

5. Both task forces will tentatively meet monthly and progress reports will be made to the Subgroup and EEC periodically. Memberships of both task forces are at **Annex I**.

6. At the request of the Subgroup on Business Facilitation, the Provisional Construction Industry Co-ordination Board will set up a task force to review the construction stage of the project development process. Details of the proposed membership and terms of reference are at **Annex II**.

### **Property Management Services Contracts**

7. The Hong Kong Association of Property Management Companies communicated with the secretariat and expressed concerns on the following –

- inconsistent contract period and pricing mechanism for different property management contract types administered by the Housing Department;
- improvements needed for the tender assessment criteria;
- unduly long payment process;
- delay in releasing performance bonds; and
- operational difficulties in working with the audit teams of the Department.

8. The secretariat convened a meeting with both representatives of the Association and the Housing Department, and the latter has agreed to consider a series of measures to streamline the payment process and to foster a better working relationship with the industry by meeting the Association on a quarterly basis to exchange ideas and issues of mutual interest.

## **Regulatory Impact Assessment (RIA)**

9. The primary objective of an RIA is to minimize negative impacts of regulations on businesses, trade and investment, and the community at large. An RIA will raise questions about regulatory design, content and costs and benefits of alternative options. There are two RIA studies underway –

- the proposed product responsibility schemes concerning waste typres and used batteries (*Agenda item 3*); and
- the proposed nutrition information labelling scheme.

10. The RIA on nutrition labelling is proceeding as scheduled and we envisage that the study will be completed by the end of the year. To date, the study has identified various options for evaluation and undertaken a needs analysis. The options being considered include variations to the number of nutrients requiring labelling and the interim approach to be taken prior to full implementation of the scheme. The needs analysis has revealed the likely health benefits of the proposed scheme including avoidance of premature deaths. The consultants are studying overseas experience and evaluating the costs and impacts of the identified options on the business community especially the SMEs. The findings and recommendations will be presented to the Subgroup in due course.

Economic Analysis and Business Facilitation Unit,  
Financial Secretary's Office  
October 2004

**Membership of Task Forces**

**Pre-construction Task Force**

Convener :	Mr Keith Kerr	(Developer)
Members :	Mr Bernard Hui, JP	(Authorised Person)
	Mr Thomas Kwok, JP	(Developer)
	Mr Lam Wo Hei, BBS, JP	(Authorised Person)
	Mr C K Lau	(Developer)
	Mr Dennis Lau, JP	(Authorised Person)
	Hon Emily Lau, JP	(LegCo Member)
	Ms Angela Lee, JP	(Solicitor)
	Mr Victor Li	(Developer)
	Mr Francis Lui	(Developer)
	Mr Gordon Ongley	(Developer)
	Ms Iris Tam	(Town Planning)
	Mr Robert Wong	(Developer)

**Retail Task Force**

Convener :	Mr Yu Pang-chun, JP	(Hong Kong Retail Management Association)
Members :	Ms Anita Bagaman	(Hong Kong Retail Management Association)
	Mr Bobby Chan	(Fashion)
	Professor Stephen Cheung	(Academic)
	Mr Vincent Chow, BBS, JP	(Jewellery)
	Mr Vincent Fang, JP	(Fashion)
	Mr Philippe Giard	(General merchandise)
	Hon Emily Lau, JP	(LegCo Member)
	Mr Brian Li, JP	(Electrical appliance)
	Mr Y K Pang, JP	(Hong Kong General Chamber of Commerce)
	Mr Jeff Shaw	(General merchandise)
	Mr Raphael Tong	(Food products)

**Working Group on Construction Cost and Performance Indicators**

**Task Force to Review  
the Construction Stage of the Development Process**

**Membership**

**Chairman** – Mr Francis Bong

**Members**

- Interested working group members
- Other members of the PCICB
- Representatives of the following organizations\* –
  - Real Estate Developers Association of Hong Kong
  - Kowloon-Canton Railway Corporation
  - MTR Corporation
  - Hong Kong Institute of Architects
  - Hong Kong Institution of Engineers
  - Hong Kong Institute of Planners
  - Hong Kong Construction Association
  - Buildings Department

*(\*Some organizations may be represented by Members of PCICB or the working group in dual capacity.)*

**Terms of Reference**

- (a) to conduct a review of current regulatory regimes governing the construction stage of the development process;
- (b) to recommend measures aimed at speeding up the construction cycle and reducing the cost for compliance with prevailing statutory requirements; and
- (c) to tackle other issues related to construction activities referred to it by the Economic and Employment Council and make regular reports on the progress achieved.