

## MESSAGE

Energy supply is crucial to Hong Kong's economic development and the livelihood of its people. Hong Kong relies on the private sector to meet its energy needs. The Government plays a regulatory and monitoring role to ensure that consumers enjoy reliable and safe supply of energy at reasonable prices. With this objective, we will continue to take forward several initiatives. First, we aim to complete a detailed technical study on increased interconnection between the two power companies by the end of 2001 and to map out in 2003 the broad directions for future development of the electricity supply sector. Secondly, we plan to conduct a study to examine the viability of introducing a natural gas based common carrier system in Hong Kong. We will also introduce a statutory approval scheme for domestic gas appliances to further improve gas safety standard.



This year, the Hongkong Post celebrates its 160th Anniversary. We will continue to provide high quality postal services and seek improvements to meet the needs of the business community and the general public.

We will continue to provide high standard weather information services to meet the needs of the general public and specialised sector, improve on their scope and mode as appropriate.

Competition is a means to increasing economic efficiency. The Administration is committed to promoting competition. We are co-ordinating efforts on this front, and will continue to encourage new initiatives to promote competition in different sectors.

We will continue to devote efforts to enhance protection of consumer interests. In particular, we will step up our work in consumer education and strengthen our co-ordination with the Consumer Council.

A handwritten signature in black ink, appearing to read 'Sandra Lee'.

(Ms Sandra Lee)  
Secretary for Economic Services

# **Energy, Postal Services, Meteorological Services, Competition and Consumer Protection**

---

## **Policy Objective and Key Result Areas**

# ENERGY, POSTAL SERVICES, METEOROLOGICAL SERVICES, COMPETITION AND CONSUMER PROTECTION

Our Policy Objective is to ensure the provision of sufficient, reliable and reasonably priced supplies of energy for Hong Kong, promote the economical and safe use of energy, ensure that Hong Kong has quality postal services to support its economic development, ensure a high standard of weather information services to meet community expectations, promote competition to enhance economic efficiency and free trade, and to enhance consumer protection.

## Overall Targets

Our targets this year in pursuing this Policy Objective are –

- to maintain reliability of electricity and gas supply at above 99.8%
- to continue to promote competition in the energy markets
- to provide quality postal services to meet demand
- to provide weather forecast of a high standard to meet community expectations
- to further encourage initiatives to promote competition
- to further enhance consumer protection

## Progress

We have regrouped our Policy Objectives. The following is a progress report on the 2000 Policy Objective Booklet on “Energy, Postal Services, Meteorological Services and Competition”. We have also included a progress report on the enhancement of consumer protection from the 2000 Policy Objective Booklet on “Tourism”.

In 2000, reliability of electricity and gas supply was maintained by the companies concerned at a level exceeding 99.8%. Following the consultancy study on interconnection and competition in the electricity supply sector, we have commissioned a detailed technical study on increased interconnection in February 2001. We have also set up a multi-disciplinary team to examine options for the post-2008 regulatory regime for the electricity supply sector after expiry of the current Scheme of Control Agreement. To further improve the gas safety standard in Hong Kong, we are implementing a voluntary code of practice for cylinder liquefied petroleum gas (LPG) distributors and stepping up enforcement of the Gas Safety Ordinance.

We have effective postal services. About 99% of local letters were delivered by the next day. The majority of the performance pledges by the Hongkong Post were achieved. Performance targets for some services were improved. Based on an independent public perception survey, 97% to 98% of customers in the general public, business and philately areas were satisfied with the services provided.

We have also maintained a high level of accuracy in weather forecasting: at least 75% accuracy as measured by public surveys and at least 90% accuracy as measured by survey of the aviation and shipping sectors.

We continued to make good progress in the review of Government policy and practices from the competition angle, leading to six new initiatives to promote competition in various sectors last year.

On consumer protection, the Consumer Council has maintained a very successful record in handling consumer complaints: 68% of the cases handled by the Council were resolved satisfactorily (i.e. traders were able to provide satisfactory and acceptable explanations) and 21% of them were not pursuable. On consumer education, the Council continues to step up its efforts in cultivating a consumer culture.

We also achieved the following progress in our eight Key Result Areas (KRAs).

**1 Identify energy needs and sources of supply**

The indicators used to measure progress in this area were the ability of power and gas companies to maintain reliable supply to satisfy market requirements and to secure reliable sources of fuel. The reliability of electricity and town gas supply in 2000 was maintained at over 99.8%. There was no significant disruption in the supply of major fuels.

**2 Administer regulatory arrangements for the energy sector**

The indicators used to measure progress in this area were the completion of tariff, audit and other reviews in accordance with the terms of the Scheme of Control Agreements and compliance of the town gas supplier with the Information and Consultation Agreement. We have, in consultation with the power companies, completed the relevant tariff and auditing reviews. The town gas supplier published corporate information for 2000 in compliance with the Information and Consultation Agreement.

**3 Ensure energy needs are met efficiently and safely**

The indicators used to measure progress in this area were the timely assessment and approval of the proposed new facilities and the conduct of inspections and enforcement action to check compliance with statutory safety requirements. Following the consultancy study on interconnection and competition in the electricity supply sector completed in November 1999, we have commissioned in February 2001 a detailed technical study on increased interconnection. We have also set up a multi-disciplinary team to examine options for post-2008 regulatory regime for the electricity supply sector after the expiry of the current Scheme of Control Agreements, with a view to mapping out the broad direction for future development of our electricity sector before the next interim review of the Scheme of Control Agreements scheduled for 2003. In respect of safety regulation, the Electrical

Product (Safety) Regulation has been brought into full operation with effect from December 2000. To ensure that electrical products on sale in Hong Kong are in compliance with the Certificate of Safety Compliance Scheme, the Electrical and Mechanical Services Department (E&MSD) has intensified market surveillance and tested 12 models of air-conditioners so far. We have introduced a series of measures to strengthen the regulatory requirements for gas safety, including the implementation of a voluntary code of practice for cylinder LPG distributors and stepping up enforcement of the Gas Safety Ordinance. A six-month “E & M Safety Campaign” covering various aspects of electrical, mechanical and gas safety was also launched in July 2001.

#### **4 Promote demand side management in the electricity sector**

The indicator used to measure progress in this area was the amount of capacity savings from demand side management measure proposed by power companies. We signed the Demand Side Management Agreement with the two power companies in May 2000 and the companies launched the demand side management programmes on 1 July 2000. The programmes have been making good progress and are expected to achieve the targetted saving of 33 megawatts in the three-year programme period. We commenced in July 2001 a review on the effectiveness of the demand side management programmes including the need to extend the rebate programme for the purchase of energy efficient appliances and equipment to residential customers.

#### **5 Enhance the quality of postal services**

The indicators used to measure progress in this area were the number of quality improvement initiatives implemented against plan and the customer satisfaction level as measured by public perception survey. We have organised an international philatelic marketing symposium for postal administrations to exchange information on marketing philatelic products, provided at all post offices the PayThruPost service for the acceptance of payment for electricity and town gas bills; organised a world class stamp exhibition “Hong Kong 2001 Stamp Exhibition”; extended the serving area of Local Courierpost and

extended the business hours of selected post offices. All the five initiatives were implemented as scheduled. Based on an independent public perception survey, 97% to 98% of customers in the general public, business and philately areas were satisfied with the postal services.

## **6 Enhance the quality of weather information services**

The indicators used to measure progress in this area were the accuracy and comprehensiveness of meteorological information provided, and the effectiveness of information delivery. We have maintained a forecasting accuracy of at least 75% as measured by public surveys, and 90% as measured by survey of both the aviation and shipping sectors. In reviewing the effectiveness of the windshear and turbulence detection system at the airport, we have devised methodologies to improve windshear alerts and are now evaluating them. We have placed order for equipment to detect low level windshear under fine weather conditions for installation in 2002.

Additional information provided through the Hong Kong Observatory's website include radar-based weather images, Hong Kong Observatory publications and education material on meteorology, geophysics and related subjects. We will continue with the pilot study on the issue of seasonal weather forecast. In the delivery of meteorological information, by making available broadband access, users can now download meteorological information for flight operation from the Hong Kong Observatory ten times faster than before. We have set up an audio webpage to facilitate access of meteorological information by the visually impaired. We will continue to take forward the initiatives to provide additional official weather information on world cities through the Internet, and to deliver weather information to mobile phone users. Our plan to install a ground reception system for data from a next-generation geostationary meteorological satellite system has been put on hold as a result of an unsuccessful launch of the satellite in Japan. A new satellite is scheduled to be launched in 2003. The timing and procurement arrangements are under review.

**7 Promote economic efficiency and free trade through competition thereby benefiting consumer welfare**

The indicators used to measure progress in this area were the continued maintenance of no restrictions on trade, capital flow and foreign investment, the consideration of the impact on competition in policy formulation and regular review of Government policy and practices from the competition policy standpoint. In the past year, we continued to make satisfactory progress in the review of the exceptions to the competition policy and new initiatives to promote competition identified or proposed by policy bureaux and departments. Various rectification actions and new initiatives have been taken and reported in a Competition Policy Advisory Group Report published in July 2001.

**8 Enhance consumer protection**

In the past, we have made good progress in enhancing consumer protection. The Consumer Council has a successful track record in handling consumer complaints and continues to maintain its good work. The Customs and Excise Department will also continue to enforce the various consumer protection legislation. The drafting of a proposed Bill on civil liability for unsafe products is at an advanced stage, and issues raised during public consultation are being reviewed. We are updating the safety standards for toys and children's products.

Progress on each previously announced initiative under the above KRAs is set out in the "Detailed Progress" section of this report.

## Looking Forward

To achieve our overall targets this year, we will undertake the following initiatives and targets under each of the KRAs for the coming year under the revised KRA structure –

- Ensure reliable sources of energy supply
- Administer regulatory arrangements for the energy sector
- Ensure energy needs are met efficiently and safely
- Promote demand side management in the electricity sector
- Enhance the quality of postal services
- Enhance the quality of weather information services
- Promote economic efficiency and free trade through competition
- Enhance consumer protection

# 1

## Ensure reliable sources of energy supply

Hong Kong relies on the private sector to supply energy to meet market requirements. As all of Hong Kong's energy supplies originate from external sources, it is important that our sources of fuel and energy are well diversified and that arrangements are in place to tide us over short-term disruptions to supply.

Natural gas is an environmentally cleaner fuel than coal or oil. The Government will consider promoting the use of natural gas as a fuel for power generation and other uses, where feasible and economically viable.

We will assess our performance in respect of this KRA against the following indicators –

- Ability of power and gas companies to maintain reliable supply to satisfy market requirements. Our target is to achieve reliability level of over 99.8%.
- Ability of power and gas companies to secure reliable sources of fuel.

The Government has Scheme of Control Agreements with the two power companies which limit their rates of return and provide for monitoring of their electricity-related financial affairs, to protect the interests of the consumer.

The Government also has an Information and Consultation Agreement with the sole supplier of towngas to increase the transparency of the company's operations and its justification for tariff increases. The agreed arrangements include disclosure of additional corporate information and briefing of the Energy Advisory Committee and the legislature.

These agreements enable the Government to monitor the performance of the power and towngas companies to ensure that they operate efficiently and that their tariffs are reasonable.

As regards the major fuels market, the Government will continue to closely monitor and take appropriate measures to enhance competition and transparency.

We will assess our performance in respect of this KRA against the following indicators –

- Completion of tariff, audit and other reviews in accordance with the terms of the Scheme of Control Agreements. Our target is 100% completion.
- Compliance of the towngas supplier with the Information and Consultation Agreement. Our target is 100% compliance.

Proposals by energy suppliers to build major new facilities are examined by the Government with a view to ensuring that they are justified by forecast demand, will meet various regulatory requirements and function efficiently. The performance of the power and town gas companies is monitored to ensure that they operate efficiently.

Safety standards for electricity and gas are enforced through the Electricity Ordinance and the Gas Safety Ordinance and related regulations. Among other things, the ordinances cover the registration of gas supply companies, electrical workers and contractors and gas installation workers and contractors, approval of electrical installations, safety standards for electrical products, gas appliances and tubing standards, as well as safe distribution and use of electricity and gas.

We will assess our performance in respect of this KRA against the following indicators –

- Assessment and approval or otherwise of proposed new facilities. Our target is to give timely approval of facilities that may be justified.
- Conduct of inspections and enforcement action. Our target is full compliance with the safety requirements in the Electricity Ordinance and the Gas Safety Ordinance and related regulations.
- Public awareness of the safety requirements for electrical and gas appliances. Our target is to encourage/enhance community awareness of basic electrical and gas safety requirements.

# 4

## Promote demand side management in the electricity sector

The efficient use and conservation of energy is promoted through demand side management programmes covering lighting, appliances and electrical plant in buildings. The objective is to reduce longer term growth in demand for electricity.

We will assess our performance in respect of this KRA against the following indicator –

- Capacity savings achieved during the three years' demand side management programmes of the two power companies. Our target is 33 megawatts.

# 5

## Enhance the quality of postal services

Reliable, efficient and cost effective postal services are important factors which contribute to Hong Kong's development as a leading business centre. We will improve the quality of postal services as appropriate to meet the needs of Hong Kong and our international postal obligations.

To ensure prompt response to the changing needs of customers, Hongkong Post engages professional consultants to carry out market research and customer surveys to regularly review individual postal services and products. It has established a Customer Liaison Group to solicit customers' opinions and suggestions.

We will assess our performance in respect of this KRA against the following indicators –

- The number of quality improvement initiatives for postal services implemented against plan. Our target is to implement two initiatives in 2001-2002.
- Customer satisfaction level as measured by public perception survey.

We will pursue the following initiatives and targets to deliver results in this area –

<b>Initiative</b>	<b>Target</b>
To extend PayThruPost Service to accepting Treasury bill payment <i>(Hongkong Post (HKP))</i>	To commence the extended service in October 2001

Initiative	Target
<p>To upgrade counter service through :</p> <ul style="list-style-type: none"> <li>a. Accepting postage prepayment items at General Post Office and Tsim Sha Tsui Post Office on Sundays</li> <li>b. Accepting Speedpost and Local CourierPost at Mobile Post Offices</li> </ul> <p><i>(HKP)</i></p>	<p>To complete upgrading of counter service by end-2001</p>

# 6

## Enhance the quality of weather information services

We aim to provide the public with meteorological services and information in the interests of public safety and economic development and to meet the expectations of the public. Advance warnings of rainstorms and tropical cyclones enable the public to take precautions and transport and utility operators to make contingency plans and adjust services as necessary before hazardous conditions develop. We will upgrade the quality of our weather information services in line with advances in technology and in response to public requirements. We will also provide the aviation and shipping sectors with meteorological services in compliance with international safety requirements.

We will assess our performance in respect of this KRA against the following indicators –

- Accuracy of meteorological information provided. Our target is to maintain an accuracy of around 75% for the public and around 90% for aviation and shipping as measured by perception surveys.
- Number of initiatives to improve weather forecast services and delivery of weather information. Our target is to launch these initiatives in 2002.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative	Target
To provide a climate information service for travel planning ( <i>Hong Kong Observatory (HKO)</i> )	To place monthly climatological information of key weather stations in the world on HKO's website in early 2003
To enhance the weather satellite information service ( <i>HKO</i> )	To provide high resolution cloud imageries from polar orbiting satellite on the HKO website in 2002

<b>Initiative</b>	<b>Target</b>
To implement ISO standards in aviation weather service <i>(HKO)</i>	To obtain certification in 2003

The Government is committed to nurturing proactively competition to enhance economic efficiency and free trade, thereby also benefiting consumer welfare. We believe that competition is best nurtured by allowing the free play of market forces and keeping intervention to the minimum. Nevertheless, when a business practice limits market accessibility or market contestability and impairs economic efficiency or free trade, to the detriment of the overall interest of Hong Kong, the Government will not hesitate to take appropriate rectification action.

The Competition Policy Advisory Group (COMPAG), chaired by the Financial Secretary, was established in December 1997 to provide a high-level and dedicated forum to review competition-related issues which have substantial policy or systemic implications, and examine the extent to which more competition should be introduced in the public and private sectors. It promulgated a Statement on Competition Policy in May 1998 to provide an overarching policy framework to guide sector-specific efforts to promote competition. COMPAG has also been giving advice to bureaux and departments in reviewing policies and practices from the competition standpoint, and in proposing new initiatives to promote competition in different sectors.

We will assess our performance in respect of this KRA against the following indicators –

- The continued maintenance of no restriction on trade, capital flow and foreign investment.
- The consideration given to the impact on competition in policy formulation.
- Regular reviews of Government policy and practices from the competition policy standpoint.

Our target is to promote adherence by the public and private sectors to the statement on competition policy and to encourage them to adopt sector-specific measures to ensure fair competition.

We are committed to safeguarding the legitimate interests of consumers, both visitors and local residents alike. Work in this area is primarily geared towards ensuring that the products consumers purchased are safe, the quality is up to their expectation, and the contract terms offered are fair. We also provide aggrieved consumers access to conciliation or appropriate legal remedies.

Economic Services Bureau (ESB) maintains a close working relationship with the Consumer Council on matters pertaining to consumer protection. While the Council assumes the front-line role in handling complaints and conducting tests and surveys on products and services, ESB assesses policy proposals and contemplates necessary legislative measures. Where appropriate, cases would also be referred to the Police or the Customs and Excise Department (C&ED) for enforcement actions.

We will assess our performance in respect of this KRA against the following indicators –

- The extent to which enforcement action is taken to safeguard the interests of consumers –
  - (a) The number of spot checks conducted by C&ED on the safety of consumer goods. Our target is 1 350.
  - (b) The number of spot checks conducted by C&ED on the safety of toys and children’s products. Our target is 1 450.
  - (c) The number of investigations conducted by C&ED on the safety of consumer goods. Our target is 300.
  - (d) The number of investigations conducted by C&ED on the safety of toys and children’s products. Our target is 400.

- The extent to which consumers exercise their rights by making enquiries, lodging complaints and the extent to which such complaints are positively addressed –
  - (a) The number of enquiries handled by the Council. Our target is 120 000.
  - (b) The percentage of total complaints settled by the Council. Our target is 55%.
  - (c) The percentage of substantiated complaints settled by the Council. Our target is 70%.

We will pursue the following initiatives and targets to deliver results in this area –

<b>Initiative</b>	<b>Target</b>
To review the web-based services of the Consumer Council and its network infrastructure for computer applications <i>(Consumer Council (CC))</i>	To commission consultancy services in 2002-2003 for reviewing website and web-based services and its network infrastructure for computer applications
To continue to liaise with the retail sector to promote awareness of consumer protection legislation <i>(Customs and Excise Department)</i>	To conduct four visits to the management of major retail chain stores by March 2002
To align safety standards for more types of toys and children's products set out in the Toys and Children's Products Safety Ordinance with international standards <i>(Economic Services Bureau)</i>	To update the safety specifications and standards listed in the Schedule to the Ordinance regularly



# **Energy, Postal Services, Meteorological Services, Competition and Consumer Protection**

---

## **Detailed Progress**

# 1

## Identify energy needs and sources of supply

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative *	Target #	Present Position +
<p>To lay the groundwork for possible introduction of a common carrier system for piped gas supply</p> <p><i>(Economic Services Bureau (ESB)/ Electrical and Mechanical Services Department (E&amp;MSD))</i></p>	<p>To map out around 2004 broad institutional, infrastructural and regulatory framework necessary for possible introduction of a natural gas based common carrier system, pending the availability of a secure and reliable source of gas supply</p> <p><i>(2000)</i></p>	<p>We are studying the operational and regulatory arrangements for gas markets in relevant overseas countries.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To study the feasibility and potential for further application and use of alternative forms of power generation, including solar and wind power, in Hong Kong and the means of promoting and implementing those with potential</p> <p><i>(ESB/E&amp;MSD)</i></p>	<p>To commence the study in 2000</p> <p><i>(1999)</i></p>	<p>The study commenced in November 2000.</p> <p><i>(Action Completed)</i></p>

\* the bracketed information denotes the agency with lead responsibility for the initiative

# the bracketed information denotes the year in which the target was set

+ the bracketed information denotes the status of the target

# 2

## Administer regulatory arrangements for the energy sector

To achieve results in this area, the following initiatives have been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
To encourage/co-ordinate efforts of concerned Government bureaux and departments in enhancing competition in the fuel market <i>(Economic Services Bureau (ESB))</i>	To ensure timely follow-up to the Competition Subcommittee's recommendations by concerned Government bureaux and departments <i>(2000)</i>	Of the various recommendations of the Competition Subcommittee, five have been completed, and the rest, such as identification of more petrol filling station sites, are on-going. <i>(Action in Progress: On Schedule)</i>
To conduct regular analysis of the prices of major fuels <i>(ESB)</i>	To complete the third yearly analysis of the prices of major fuels before mid-2001 <i>(2000)</i>	The analysis was completed in June 2001. <i>(Action Completed)</i>

# 3

## Ensure energy needs are met efficiently and safely

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
<p>To strengthen the regulatory requirements for gas safety</p> <p><i>(Electrical and Mechanical Services Department (E&amp;MSD))</i></p>	<ul style="list-style-type: none"> <li>● To introduce regulations for a new gas appliance approval scheme into the Legislative Council by 2002</li> <li>● To implement a voluntary code of practice for cylinder liquefied petroleum gas (LPG) distributors in 2001</li> </ul>	<ul style="list-style-type: none"> <li>● Draft regulations are being prepared.</li> </ul> <p><i>(Action in Progress: On Schedule)</i></p> <ul style="list-style-type: none"> <li>● The module relating to the computerisation of customer database is being implemented by the LPG industry. E&amp;MSD is conducting audit checks for the LPG distributors. Meanwhile, the module on appointment and monitoring of LPG distributors has been issued to the industry for comment.</li> </ul> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
	<ul style="list-style-type: none"> <li data-bbox="408 188 644 422">● To step up enforcement of the Gas Safety Ordinance and related regulations in 2001 by increasing random inspections</li>   <li data-bbox="408 957 672 1332">● To complete the review of the penalty provisions under the Gas Safety Ordinance and its related regulations in 2001 and to introduce, as appropriate, legislative amendments into the Legislative Council by 2002</li> </ul> <p data-bbox="408 1348 481 1380"><i>(2000)</i></p>	<ul style="list-style-type: none"> <li data-bbox="705 188 1002 861">● Staff strength deployed for random inspections of illegal parking of LPG cylinder wagons has been increased to an average of over 500 man-hours per month. Meanwhile, E&amp;MSD is working on a new computerised operational control system to enhance further the efficiency of the inspection work. We expect that upon implementation of this system, the random inspections will be doubled and inspection visits, averaging 100 per month, will be conducted on LPG distributors.</li> <p data-bbox="733 877 996 933"><i>(Action in Progress: On Schedule)</i></p> <li data-bbox="705 957 996 981">● The review is on-going.</li> <p data-bbox="733 997 996 1053"><i>(Action in Progress: On Schedule)</i></p> </ul>

Initiative	Target	Present Position
<p>To increase public awareness of electrical and gas safety <i>(E&amp;MSD)</i></p>	<p>To carry out a series of publicity programmes in 2001-2002 <i>(2000)</i></p>	<p>A six-month “E &amp; M Safety Campaign” covering various aspects of electrical, mechanical and gas safety was launched on 10 July 2001.  <i>(Action in Progress: On Schedule)</i></p>
<p>To implement the Certificate of Safety Compliance Scheme for electrical products on sale in Hong Kong <i>(E&amp;MSD)</i></p>	<p>To ensure compliance with the scheme through intensified market surveillance and product sampling of over 30 models of electrical products per year  <i>(2000)</i></p>	<p>For 2001-2002, 12 models of air-conditioners have been tested. Testing of other products is being arranged.  <i>(Action in Progress: On Schedule)</i></p>
<p>To work out the post 2008 regulatory regime for our electricity supply sector after expiry of the current Scheme of Control Agreements  <i>(Economic Services Bureau (ESB)/E&amp;MSD)</i></p>	<p>To examine options and map out the broad direction for future development of the electricity supply sector before the next interim review of the Scheme of Control Agreements scheduled for 2003  <i>(2000)</i></p>	<p>A multi-disciplinary team has been established. The relevant study is in progress.  <i>(Action in Progress: On Schedule)</i></p>

Initiative	Target	Present Position
<p>To enact new legislation to control electricity supply standards (<i>ESB/E&amp;MSD</i>)</p>	<p>To introduce legislative amendments into the Legislative Council in 2001 (<i>2000</i>)</p>	<p>The requirement for legislative amendments will be considered in the context of the review on the post-2008 regulatory regime for the electricity supply sector taking into account the findings of the detailed technical study on increased interconnection.  (<i>Action in Progress: Under Review</i>)</p>
<p>To conduct further studies required as follow up to the consultancy study on interconnection and competition in the electricity supply sector (<i>ESB/E&amp;MSD</i>)</p>	<p>To commence detailed studies in 2000-2001 (<i>1999</i>)</p>	<p>The study commenced in February 2001. (<i>Action Completed</i>)</p>

# 4

## Promote demand side management in the electricity sector

To achieve results in this area, the following initiative has been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
<p>To review the effectiveness of the demand side management programmes including the need to extend the rebate programme for the purchase of energy efficient appliances and equipment to residential customers</p> <p><i>(Economic Services Bureau/Electrical and Mechanical Services Department)</i></p>	<p>To commence a review in mid-2001</p> <p><i>(2000)</i></p>	<p>Review on the effectiveness of demand side management commenced in July 2001.</p> <p><i>(Action Completed)</i></p>

## 5

## Enhance the quality of postal services

To achieve results in this area, various initiatives have been undertaken in the past year. Details are set out below –

<b>Initiative</b>	<b>Target</b>	<b>Present Position</b>
To organise an international philatelic marketing symposium for postal administrations to exchange information on marketing philatelic products <i>(Hongkong Post (HKP))</i>	To organise the symposium in February 2001 <i>(2000)</i>	The symposium was organised in February 2001. <i>(Action Completed)</i>
To provide at all post offices the PayThruPost service for the acceptance of payment for electricity and town gas bills <i>(HKP)</i>	To provide the service at all post offices in the last quarter of 2000 <i>(2000)</i>	The service commenced in July 2000. <i>(Action Completed)</i>
To organise a world class stamp exhibition “Hong Kong 2001 Stamp Exhibition” <i>(HKP)</i>	To organise the exhibition in February 2001 <i>(2000)</i>	“Hong Kong 2001 Stamp Exhibition” was organised in February 2001. <i>(Action Completed)</i>

<b>Initiative</b>	<b>Target</b>	<b>Present Position</b>
To extend the serving area of Local Courierpost to additional areas <i>(HKP)</i>	To complete the extension to more areas by the end of 2000 <i>(2000)</i>	The extension was completed in December 2000. <i>(Action Completed)</i>
To extend the business hours of selected post offices <i>(HKP)</i>	To complete extension of the business hours to more post offices by March 2001 <i>(2000)</i>	The extension of the business hours was completed by March 2001. <i>(Action Completed)</i>

## 6

## Enhance the quality of weather information services

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
To make available to users broadband access to the Hong Kong Observatory's Aviation Meteorological Information Dissemination System <i>(Hong Kong Observatory (HKO))</i>	To reduce download time of meteorological information for flight operation by about ten times by end-2001 <i>(2000)</i>	Broadband access by users available since July 2001. For ten organisations using broadband access, download time of meteorological information was reduced by about ten times.  <i>(Action Completed)</i>
To provide a long range weather forecasting service <i>(HKO)</i>	To complete a pilot study on seasonal weather forecast by end-2002 <i>(2000)</i>	Major climate factors affecting annual rainfall and tropical cyclone activity in Hong Kong were identified. An experimental forecast for 2001 was issued in March 2001. Other climate factors are being studied.  <i>(Action in Progress: On Schedule)</i>
To make available weather and other geophysical information more readily to members of the community with special needs, especially the visually impaired <i>(HKO)</i>	To set up an audio webpage on weather and other geophysical information in 2001 <i>(2000)</i>	Audio webpage launched in July 2001.  <i>(Action Completed)</i>

<b>Initiative</b>	<b>Target</b>	<b>Present Position</b>
To improve accessibility to weather information ( <i>HKO</i> )	To start delivering weather information to mobile phone users in 2001 (2000)	A Wireless Application Protocol (WAP) site for delivering weather information to mobile phone users was set up and put into operational trial.  ( <i>Action in Progress: On Schedule</i> )
To provide additional official weather information on world cities through the Internet ( <i>HKO</i> )	To provide the information on the HKO website by 2002 (2000)	A database was set up. Design of the webpages and updating procedures are underway.  ( <i>Action in Progress: On Schedule</i> )
To provide radar-based weather images ( <i>HKO</i> )	To start providing the information on the HKO website in 2001 (2000)	Radar-based weather images placed on HKO website since May 2001.  ( <i>Action Completed</i> )
To acquire equipment to detect low level windshear and turbulence around the Hong Kong International Airport under fine weather conditions ( <i>HKO</i> )	To install the equipment in 2002 (1999)	Order placed in middle of 2001 for installation in 2002.  ( <i>Action in Progress: On Schedule</i> )

<b>Initiative</b>	<b>Target</b>	<b>Present Position</b>
<p>To review the performance of the windshear and turbulence detection system for the Hong Kong International Airport with a view to improving its detection and warning capability</p> <p>(HKO)</p>	<p>To complete the review in 2001</p> <p>(1999)</p>	<p>Analysis of data for verification largely completed. Methodologies for improving windshear alerts were devised and being evaluated.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To place HKO publications and educational material on meteorology, geophysics and related subjects on HKO's Internet homepage to promote public understanding of these subjects</p> <p>(HKO)</p>	<p>To complete the placing of the additional information on the HKO Internet homepage in stages around the end of 2000</p> <p>(1999)</p>	<p>Educational material placed on homepage in first half of 2000. Publications put on homepage in December 2000.</p> <p><i>(Action Completed)</i></p>
<p>To install a next-generation geostationary meteorological satellite system</p> <p>(HKO)</p>	<p>To install the system in 2000</p> <p>(1998)</p>	<p>Installation of the reception system is intended to dove-tail the launch of a new satellite in Japan. Procurement of the system put on hold as a result of an unsuccessful launch of the satellite in late 1999. Timing and procurement arrangements are under review.</p> <p><i>(Action in Progress: Under Review)</i></p>

## 7

## Promote economic efficiency and free trade through competition thereby benefiting consumer welfare

To achieve results in this area, the following initiative has been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
To continue to encourage new initiatives to promote competition <i>(Economic Services Bureau)</i>	To continue to encourage the adoption of sector-specific measures to ensure fair competition where necessary <i>(2000)</i>	New initiatives implemented by policy bureaux and departments to promote competition were detailed in the Competition Policy Advisory Group Report 2000-2001 published in July 2001. <i>(Action Completed)</i>

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

<b>Initiative</b>	<b>Target</b>	<b>Present Position</b>
To enhance liaison and promote awareness of consumer protection legislation <i>(Customs and Excise Department (C&amp;ED))</i>	To conduct four visits to the management of major retail chain stores by March 2001 <i>(2000)</i>	The target of conducting four visits by March 2001 has been achieved. <i>(Action Completed)</i>
To provide a clear legal basis for consumers to seek compensation from producers, retailers, etc., for loss or injury arising from the use of unsafe products <i>(Economic Services Bureau (ESB))</i>	To expedite drafting of the proposed Bill on civil liability for unsafe products by addressing issues raised during public consultation by 2001 <i>(2000)</i> To complete drafting of the proposed legislation in 1999 <i>(1998)</i>	Drafting of the proposed Bill is at an advanced stage. Issues raised during public consultation are being reviewed. <i>(Action in Progress: Under Review)</i>

<sup>1</sup> This Key Result Area and its initiatives were under the Policy Objective Booklet “Tourism” in 2000.

Initiative	Target	Present Position
<p>To introduce multiple safety standards for more types of children’s products set out in the Toys and Children’s Products Safety Ordinance to allow traders more choices</p> <p><i>(ESB)</i></p>	<p>To introduce multiple safety standards for all 13 categories of children’s products by 2000</p> <p><i>(1998)</i></p>	<p>Multiple standards have been introduced for 11 categories of products where such multiple standards are available. In addition to using international standards, the international/regional fora have also focused on alignment and mutual recognition of domestic standards. Further action to be subsumed under a new initiative “To align safety standards for more types of toys and children’s products set out in the Toys and Children’s Products Safety Ordinance with international standards”.</p> <p><i>(Action Completed)</i></p>