### **MESSAGE**

We are committed to increasing economic efficiency through promoting competition. We will continue to encourage new initiatives to promote competition in different sectors.

Reliable supply of energy is vital to the daily life of Hong Kong people and our economic development. Hong Kong relies on the private sector to meet our energy needs, whilst the Government monitors the sector to ensure that consumers have reliable and efficient supplies of energy at reasonable prices. We have taken a



number of steps to enhance competition and transparency in the energy sector. In the years ahead, we will focus on taking further forward issues relating to increased interconnection and competition in the electricity supply sector, mapping out before 2003 the broad directions for the post 2008 regime taking into account electricity market restructuring experience elsewhere, working out a broad framework for possible introduction of a natural gas based common carrier system and preparing improvements to electricity and gas legislation.

We are committed to delivering quality postal services to meet the needs of Hong Kong. We will continue to improve the services in the coming year and to enhance the international profile of Hongkong Post through the staging of a world class stamp exhibition and an international philatelic marketing symposium.

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

> (Ms Sandra Lee) Secretary for Economic Services

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

Policy Objective and Key Result Areas

# Energy, Postal Services, Meteorological Services and Competition

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 and promote competition to enhance economic efficiency and free trade.

### **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

### **Progress**

We have regrouped our Policy Objectives. The following is a progress report on the 1999 Policy Objective Booklet on "Energy" and on initiatives related to postal and meteorological services from the 1999 Policy Objective Booklet on "Air and Sea Transport Infrastructure, Postal and Weather Information Services". We have also included a progress report on the promotion of competition policy for which we have taken up policy responsibility since 1 July 2000.

In 1999, reliability of electricity and gas supply has been maintained by the companies concerned at a level exceeding 99.8%. In the past year, we completed examination of the Financial Plans of the two power companies, including the proposal of The Hongkong Electric Company, Limited for the Lamma Extension and additional generation facilities. They were approved by the Executive Council in May 2000 and provide a basis for the power companies to undertake the necessary capital works for ensuring reliable power supply. We also extended the Information and Consultation Agreement with The Hong Kong and China Gas Company Limited for a period of three years. We have made good progress on a number of safety-related initiatives including the enactment of new legislation to protect electricity supply lines, inspection of electrical installations in over 4 000 buildings, conclusion of a consultation exercise on electricity supply standards, completion of all procedures for bringing into effect the certificate of safety compliance requirement for electrical products, and implementation of the new safety requirements in respect of flueless gas water heaters.

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, 95% to 97% 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 for the general public (75% accuracy as measured by public surveys) and the aviation and shipping communities (90% accuracy as measured by survey of these communities).

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

#### 1 Identify energy supply needs and resources

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 diverse sources of fuel. The reliability of electricity and towngas supply in 1999 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 towngas supplier with the Information and Consultation Agreement. We have, in consultation with the power companies, completed the relevant tariff and auditing reviews. The towngas supplier published additional corporate information for 1999 in compliance with the Information and Consultation Agreement which has been extended for three years with effect from 3 April 2000. A Competition Subcommittee was established under the Energy Advisory Committee in February 2000 to provide a forum for, among other things, more focused discussion on competition-related issues in the fuel market. To enhance transparency, we conduct regular analysis of the prices of major fuels.

#### 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. We have approved the proposal of The Hongkong Electric Company, Limited for additional generation facilities and agreed with the CLP Power Hong Kong Limited a new timetable for the installation of its previously approved new generation units taking into account the latest demand forecasts. We completed a consultancy study of interconnection and competition in the electricity supply sector and have publicly stated the Administration's position on the way forward. We will be starting some further detailed studies shortly with a view to mapping out the broad direction for future development of our electricity supply sector before the next interim review of the Scheme of Control Agreements scheduled for 2003. As regards safety regulation, we have completed the inspections of electrical installations in over 4 000 buildings. We have enacted new regulations to protect electricity supply lines from damage during works and have also started preparing a bill and a regulation to update the legislation on electricity supply standards following a consultation exercise. With effect from April 2000, the Electrical and Mechanical Services Department (E&MSD) brought into effect new legislation prohibiting the sale of flueless gas water heaters and from July 2000 the use of such water heaters connected to showers/ bathrooms. Apart from an extensive publicity programme, the E&MSD has stepped up inspections and liaison with gas suppliers to ensure compliance with the new safety requirements. We have also completed the legislative procedures for the full implementation of the Electrical Product (Safety) Regulation which requires a certificate of safety compliance for every model of electrical products on sale in Hong Kong with effect from December 2000.

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

The indicator used to measure progress in this area was the extent of demand side management measures proposed by power companies. Having consulted the Legislative Council Panel on Economic Services, we signed a revised Demand Side Management Agreement with the two power companies in May 2000. The companies' demand side management programmes, which were launched on 1 July 2000, are expected to achieve a saving of 33 megawatts in electricity demand in the three year programme period.

#### 5 Identify demand for facilities and services

The indicators used to measure progress in this area were the conduct of studies according to plan and the number of initiatives to improve weather/meteorological services provided. In respect of postal services, the study relating to introduction of a new post office box service at selected post offices and the review of the cut-off time for acceptance of postage prepaid items at selected major post offices were completed as planned.

As regards weather information services, we have been providing more information to users through setting up a public information centre, putting additional information on Hong Kong Observatory's home page and providing a computer server for Government bureaux and departments with a need.

### 6 Improve meteorological service to promote safety and efficiency in air and sea transport

The indicators used to measure progress in this area were the accuracy and comprehensiveness of meteorological information provided. We have maintained a weather forecast accuracy rate of at least 90% as

measured by survey of both the aviation and shipping communities. Facilities at the back-up air traffic control centre at the airport came into operation in January 2000. We also continue to take forward the initiatives to review the effectiveness of the windshear and turbulence detection system at the airport and to acquire equipment to detect low level windshear and turbulence under fine weather conditions.

### 7 Progressively improve the quality of postal and weather information services

The indicators used to measure progress in this area were the number of quality improvement initiatives for postal services implemented against plan and the number of initiatives undertaken to improve weather information services.

On postal services, we have introduced reciprocal money remittance services with the China Post and the Philippine Post, extended the bulk mail acceptance facility to more post offices, opened the Airport Post Office on Sundays and extended the computerised mail tracking and tracing system to the processing of registered mail, parcels and mail bags.

As regards weather information services, we have extended the weather forecast from four days to five days in advance. In addition, we have put a high speed computer for high resolution weather prediction into operational use since December 1999. As a result of the unsuccessful launch of a meteorological satellite in Japan, our plan for installing a ground reception system for necessary data from a next-generation geostationary meteorological satellite system has been put on hold. A new satellite is scheduled to be re-launched in 2003 and procurement arrangements including time-frame for the reception system will be revised accordingly.

### 8 Promote economic efficiency and free trade through competition

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 April 2000.

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.

### Identify energy needs and sources of supply

The Government 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 promote 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 diverse sources of fuel from different countries
- Time-frame by which a broad framework for possible introduction of a natural gas based common carrier system is mapped out.

We will pursue the following initiative and target to deliver results in this area –

Initiative *	Target
To lay the groundwork for possible introduction of a common carrier system for piped gas supply  (Economic Services Bureau/ Electrical and Mechanical Services Department)	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

<sup>\*</sup> the bracketed information denotes the agency with lead responsibility for the initiative

## Administer regulatory arrangements for the energy sector

The Government has Scheme of Control Agreements with the 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 is committed to enhancing competition and transparency. A Competition Subcommittee has been set up under the Energy Advisory Committee to consider, among other things, competition-related issues in the fuel market.

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.
- Number of measures taken to increase competition in the fuel market.
- Efforts to increase transparency in the pricing of major fuels.

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

Initiative	Target
To encourage/co-ordinate efforts of concerned Government bureaux and departments in enhancing competition in the fuel market (Economic Services Bureau (ESB))	To ensure timely follow-up to the Competition Subcommittee's recommendations by concerned Government bureaux and departments
To conduct regular analysis of the prices of major fuels (ESB)	To complete the third yearly analysis of the prices of major fuels before mid-2001

### Ensure energy needs are met efficiently and safely

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 towngas 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 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.

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

Initiative	Target
To strengthen the regulatory requirements for gas safety  (Electrical and Mechanical Services Department (E&MSD))	• To introduce regulations for a new gas appliance approval scheme into Legislative Council by 2002

Initiative	Target
	<ul> <li>To implement a voluntary code of practice for cylinder LPG distributors in 2001</li> </ul>
	• To step up enforcement of the Gas Safety Ordinance and related regulations in 2001 by increasing random inspections
	• 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 Legislative Council by 2002
To increase public awareness of electrical and gas safety (E&MSD)	To carry out a series of publicity programmes in 2001-2002
To implement the Certificate of Safety Compliance Scheme for electrical products on sale in Hong Kong (E&MSD)	To ensure compliance with the scheme through intensified market surveillance and product sampling of over 30 models of electrical products per year
To work out the post 2008 regulatory regime for our electricity supply sector after expiry of the current Scheme of Control Agreements  (Economic Services Bureau (ESB)/ E&MSD)	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
To enact new legislation to control electricity supply standards (ESB/E&MSD)	To introduce legislative amendments into the Legislative Council in 2001

### 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.

We will pursue the following initiative and target to deliver results in this area –

Initiative	Target
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	To commence a review in mid-2001
(Economic Services Bureau/ Electrical and Mechanical Services Department)	

### 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.

We carry out studies and consultation with customers to assess the demand for postal facilities and services. In this regard, Hongkong Post engages professional consultants to carry out market research and customer surveys in regular reviews of 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 five initiatives in 2000-2001.
- Public satisfaction level as measured by perception survey.

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

Initiative	Target
To organise an international philatelic marketing symposium for postal administrations to exchange information on marketing philatelic products (Hongkong Post (HKP))	To organise the symposium in February 2001

Initiative	Target
To provide at all post offices the Pay Thru Post service for the acceptance of payment for electricity and towngas bills (HKP)	To provide the service at all post offices in the last quarter of 2000
To organise a world class stamp exhibition "Hong Kong 2001 Stamp Exhibition" (HKP)	To organise the exhibition in February 2001
To extend the serving area of Local Courierpost to additional areas (HKP)	To complete the extension to more areas by the end of 2000
To extend the business hours of selected post offices (HKP)	To complete extension of the business hours to more post offices by March 2001

### 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 communities 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 forecasting services and delivery of weather information. Our target is to launch six initiatives in 2001.

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

Initiative	Target
To make available to users broadband access to the Hong Kong Observatory's Aviation Meteorological Information Dissemination System  (Hong Kong Observatory (HKO))	To reduce download time of meteorological information for flight operation by about ten times by end-2001

Initiative	Target
To provide a long range weather forecasting service (HKO)	To complete a pilot study on seasonal weather forecast by end-2002
To make available weather and other geophysical information more readily to members of the community with special needs, especially the visually impaired (HKO)	To set up an audio web page on weather and other geophysical information in 2001
To improve accessibility to weather information (HKO)	To start delivering weather information to mobile phone users in 2001
To provide additional official weather information on world cities through the internet (HKO)	To provide the information on the HKO website by 2002
To provide radar-based weather images (HKO)	To start providing the information on the HKO website in 2001

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

The Government is committed to proactively nurturing competition for the purpose of enhancing 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 will pursue the following initiative and target to deliver results in this area –

Initiative	Target
To continue to encourage new initiatives to promote competition (Economic Services Bureau)	To continue to encourage the adoption of sector-specific measures to ensure fair competition where necessary

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

**Detailed Progress** 

### Identify energy supply needs and resources

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 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  (Economic Services Bureau (ESB)/ Electrical and Mechanical Services Department)	To commence the study in 2000 (1999)	Finance Committee approved funding for the study in June 2000. Consultant selection is in progress. We expect to start the study in late 2000. (Action in Progress: On Schedule)
To consider Hongkong Electric's proposal for additional generating capacity (ESB)	To decide whether to approve the proposal in 1999 (1998)	Proposal was approved in May 2000.  (Action Completed)
To review the deferral programme for Units 7 and 8 at Black Point Power Station (ESB)	To complete the review in end-1999 (1998)	The review was completed in December 1999.  (Action Completed)

- \* 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

## Administer regulatory arrangements for the energy sector

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

Initiative	Target	<b>Present Position</b>
To complete discussion on extending the Information and Consultation Agreement with The Hong Kong and China Gas Company Limited and implement modifications where appropriate  (Economic Services Bureau)	To complete discussion and implement the new agreement by April 2000 (1999)	Discussion completed. Agreement extended for three years and new agreement implemented with effect from April 2000.  (Action Completed)

### 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	<b>Present Position</b>
To conduct further studies required as follow up to the consultancy study on interconnection and competition in the electricity supply sector (Economic Services Bureau (ESB)/Electrical and Mechanical Services Department (E&MSD))	To commence detailed studies in 2000-2001 (1999)	Consultants selection is in train.  (Action in Progress: On Schedule)
To conduct and follow up the study of interconnection and competition in the electricity supply sector in Hong Kong (ESB)	To publish a policy statement in 1999 (1998)	Report of the consultancy study published in November 1999. The Administration's position on the way forward was publicly stated. Under a new initiative, we will be conducting further studies with a view to mapping out the broad direction for further development of our electricity supply sector before the next interim review of the Scheme of Control Agreements with the power companies scheduled for 2003. (Action Completed)

Initiative	Target	<b>Present Position</b>
To step up inspection of electrical installations in buildings to ensure compliance with the relevant safety requirements (E&MSD)	To inspect some 4 000 buildings by end-1999, and serve warning letters on owners of buildings who have not complied with the safety requirements (1998)	As at end-December 1999, 4 084 buildings have been inspected and some 25 000 warning letters/ improvement notices have been served to owners' corporations and individual flat owners.  (Action Completed)
To prepare new legislation in 1998 to control electricity supply standards (ESB)	To start preparing new legislation in December 1998 (1997)	We started preparing drafting instructions for the new legislation in 1999. Further action to be followed up under a new initiative.  (Action Completed)
To introduce new legislation to deter third parties from damaging underground electricity cables and overhead electricity wires (ESB)	To introduce the new Electricity Supply Lines (Protection) Regulation by 2000 (1997)	The new Regulation was enacted in April 2000. The main provisions will commence by end-2000, after a six-month grace period.  (Action Completed)



## Promote demand side management in the electricity sector

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

Initiative	Target	<b>Present Position</b>
To institute monitoring of power companies' implementation of demand side management programmes  (Economic Services Bureau (ESB))	Power companies to achieve agreed savings of generating capacity by the end of their first set of demand side management programmes in 2001 (1998)	Revised demand side management programmes by power companies taking into account views of the Legislative Council Panel on Economic Services were launched in July 2000. A system has been put in place to monitor power companies' implementation of the first set of programmes up to 2003. Further action to be followed up under a new initiative.  (Action Completed)
To negotiate with the power companies to enter into formal agreements on implementation of full scale demand side management programmes in 1998 (ESB)	To commence negotiations in 1997 (1997)	Revised agreements on implementation of demand side management programmes taking into account views of the Legislative Council Panel on Economic Services were signed with the power companies in May 2000.  (Action Completed)

### Identify demand for facilities and services

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

Initiative	Target	<b>Present Position</b>
To study the case for introduction of a new post office box service at selected post offices to enable customers physically without a post office box to receive and collect mail items  (Hongkong Post (HKP))	To complete the study around late 1999 (1999)	The study was completed in August 1999.  (Action Completed)
To review the cut-off time for acceptance of postage prepaid items at selected major post offices (HKP)	To complete the review around early 2000 (1999)	The review was completed in January 2000.  (Action Completed)
To set up an information centre at a Hong Kong Observatory office in Kowloon for access by the general public, particularly students (Hong Kong Observatory (HKO))	To bring the information centre into operation around mid-2000 (1999)	Information centre operational and opened to public on 1 April 2000.  (Action Completed)

Initiative	Target	<b>Present Position</b>
To provide a computer server for easier access by Government bureaux and departments to weather information required in making decisions which may affect public safety (HKO)	To commence operation of the new server around mid-2000 (1999)	Computer server operational on 30 June 2000.  (Action Completed)
To place HKO publications and educational material on meteorology, geophysics and related subjects on HKO's Internet home page to promote public understanding of these subjects	To complete the placing of the additional information on the HKO Internet home page in stages around the end of 2000 (1999)	Educational material placed on home page in first half of 2000. Publications will be put on home page around the end of 2000.  (Action in Progress: On Schedule)
(HKO)		



## Improve meteorological service to promote safety and efficiency in air and sea transport

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

Initiative	Target	<b>Present Position</b>
To acquire equipment to detect low level windshear and turbulence around the Hong Kong International Airport under fine weather conditions  (Hong Kong Observatory (HKO))	To install the equipment in 2002 (1999)	Tender document being prepared.  (Action in Progress: On Schedule)
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 (HKO)	To complete the review in 2001 (1999)	Data for verification being collected and analysed.  (Action in Progress: On Schedule)
To extend facilities at the Airport Meteorological Office to cover the second runway and to serve the back-up air traffic control centre (HKO)	To establish the extension of facilities in end-1999 (1998)	Facilities for second runway operational in August 1999. Facilities to serve the back-up air traffic control centre operational in January 2000.  (Action Completed)

## Progressively improve the quality of postal and 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	<b>Present Position</b>
To provide reciprocal money remittance services with the China Post and the Philippine Post (Hongkong Post (HKP))	To introduce these services in late 1999 (1999)	The services with the Philippine Post and the China Post were introduced in December 1999 and March 2000 respectively.  (Action Completed)
To extend bulk mail acceptance facility to more post offices	To complete the extension programme by early 2000	The extension programme was completed in January 2000.
(HKP)	(1999)	(Action Completed)
To provide Sunday opening arrangement for the Airport Post Office	To implement the improved service around late 1999	The improved service was implemented in November 1999.
(HKP)	(1999)	(Action Completed)
To provide additional regional weather information on the	To complete the placing of the additional weather information on	Additional information introduced on 15 June 2000.
HKO Internet home page	the home page around mid-2000	(Action Completed)
(Hong Kong Observatory (HKO))	(1999)	
To extend the current four-day weather forecasts to a five-day forecasts	To commence issuing five-day weather forecasts around mid-2000	Issue of five-day weather forecasts commenced on 1 January 2000.  (Action Completed)
(HKO)	(1999)	(Month Completed)

Initiative	Target	<b>Present Position</b>
To extend the computerised mail tracking and tracing system to the processing of registered mail, parcels and mail bags (HKP)	To complete the project by December 1999 (1998)	The project was completed in October 1999.  (Action Completed)
To install a next-generation geostationary meteorological satellite system (HKO)	To install the system in 2000 (1998)	Installation of the reception system is intended to dovetail with 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. A new satellite is scheduled to be relaunched in 2003 and procurement arrangements including time-frame for the reception system will be revised accordingly.  (Action in Progress: Under Review)
The HKO to install a high resolution numerical weather prediction system (HKO)	To install the system by 1999 (1997)	System operational on 7 December 1999.  (Action Completed)



## Promote economic efficiency and free trade through competition

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

Initiative	Target	<b>Present Position</b>
To review Government practices to ascertain the extent to which competition can be enhanced (Economic Services Bureau)	To complete preliminary reviews, by late 1999, of the practices of half of all policy bureaux from a competition policy standpoint (1998)	By the end of 1998, the Competition Policy Advisory Group (COMPAG) had completed a preliminary review of the exceptions to the competition policy and new initiatives to promote competition identified or proposed by all Government bureaux and departments. In 1999, COMPAG continues to monitor issues already reviewed and to consider new reports on "exceptions" and "new initiatives" submitted by Government bureaux and departments. Actions by Government bureaux and departments to rectify identified restrictive practices or to promote competition in various areas were detailed in COMPAG Report 1999-2000 published in April 2000. Further action to be followed up under a new initiative. (Action Completed)