Appendix V-15b
(Session 3)

Presentation by Director, Beijing Office
at the Special Meeting of the Finance Committee
on Monday, 25 March 2002

Mr Chairman,

I am pleased to attend the Special Finance Committee Meeting today. I shall begin with a summary of the Beijing Office's work in the past year and some highlights of our major tasks planned for the coming year. And then I will briefly explain our draft estimates of expenditure for the coming financial year.

Liaison

For liaison under Programme (1), the primary task of the Beijing Office is to facilitate the HKSARG's communication and liaison with departments of the Central People's Government (CPG) and local governments. In the past year, through our liaison network, we actively promoted exchanges and understanding between the relevant Mainland authorities and the HKSARG as well as the exchange of views on issues of mutual concern. The year 2001 is of particular significance to both the Mainland and Hong Kong. China's accession to the World Trade Organisation (WTO), the full-scale implementation of the Tenth Five-year Plan and the Western Region Development Strategy as well as Beijing's successful bid for holding the Olympic Games will present both opportunities and challenges to Hong Kong. Thus, the Beijing Office has through various channels collected information about the Mainland's macroeconomic situation, business environment as well as the latest legislation, regulations, policies and measures in various fields. We have kept the HKSARG informed so that relevant departments could keep themselves abreast of such latest information and disseminate the information to the business community and the public as appropriate.

On the HKSARG's instructions, we made enquiries with relevant Mainland authorities, discussed specific issues with them, and took follow-up actions as necessary. To give an example, we were responsible for coordinating with relevant departments of the CPG and local governments the activities of the HKSAR Delegation to the Western Region organised in May last year. We have also strengthened our work in promoting liaison and exchanges between departments of the HKSARG and Mainland authorities, and have assisted in arranging exchange visits between Mainland and Hong Kong officials. China was the host of Asia-Pacific Economic Cooperation (APEC) activities last year. The Beijing Office also provided support to the

Hong Kong Delegation.

Promoting Hong Kong is also our major task. In November last year, in collaboration with relevant Hong Kong departments and organisations, we organised publicity activities in Chongqing to promote Hong Kong's financial services, professional services as well as the strengths of small and medium enterprises. We also assisted Hong Kong's business sector to establish contact with Mainland authorities and enterprises. In addition, we have also organised exhibitions in Beijing, Shanghai, Chengdu and Ningxia. We worked in association with the China National Radio to produce a weekly radio programme. This programme enables Mainland residents in southern China, especially the Pearl River Delta Area, to know more about Hong Kong affairs. It also promotes economic, tourism and cultural exchanges. All these publicity activities have received very favourable response in the Mainland.

Moreover, many countries having no representative organisations in Hong Kong seek to liaise with the Beijing Office through their embassies in China in order to strengthen their ties with Hong Kong. The Beijing Office will try its best to help them. We will also make use of these opportunities to brief them on the implementation of the policy of "One Country, Two Systems" in Hong Kong and our latest developments.

Immigration Matters

For immigration matters under Programme (2), the Beijing Office processed and referred over 17 000 applications for visas and entry permits last year. We continued to negotiate with 12 embassies in Beijing on visa-free access arrangements and made some achievements. Three of the countries (Lithuania, Romania and the United Arab Emirates) have announced that they would grant visa-free entry to HKSAR passport holders. Qatar has also agreed to the visa on arrival arrangement.

Under Programme (2), we handled 224 requests for assistance, including 111 cases involving the detention of Hong Kong residents in the Mainland. In handling accidents involving Hong Kong people (especially group tour accidents), we also sent staff to provide assistance as required.

Task in the Coming Year

In the coming year, the Mainland will continue to deepen reform, further open up and integrate with the global economy. The Mainland will also actively start the preparatory work of the 2008 Beijing Olympic Games. There are bound to be closer trade and economic links between Hong Kong and the Mainland. The Beijing Office will actively play its bridging role and help relevant departments of the HKSARG promote their work in this regard. We will pay close attention to the latest developments in the Mainland in

such areas as economic and social progress, market opening, and the preparatory work of the Olympic Games. We will keep the HKSARG informed of such developments. We will also make good use of our liaison network by providing information about the HKSAR's development to the Mainland's departments, while at the same time facilitate smooth communication and implementation of projects involving Hong Kong departments and their Mainland counterparts.

In addition, we will set up a channel of communication with relevant authorities in the Beijing municipality this year so that Hong Kong people investing or working in Beijing will find it easier to obtain relevant information and tap the business opportunities in Beijing.

While the Mainland is opening up its market to the world at an unprecedented pace, there is a greater need for us to further promote Hong Kong's unique strengths and to consolidate our role as a hub. We will hold an exhibition in Beijing to mark the fifth anniversary of reunification. The exhibition will review Hong Kong's developments and look forward to our future. We will also promote and publicise Hong Kong in the coastal region in Eastern China to help Hong Kong businessmen explore new markets.

Draft Estimates of Expenditure

In 2001-02, the Beijing Office fulfilled the 5% savings target under the Enhanced Productivity Programme (EPP). We will nevertheless endeavour to further cut expenditure in 2002-03 without compromising the quality of services with a view to achieving an accumulated 6.7% saving. Beijing Office's draft estimates of expenditure for 2002-03 is $50.9m, representing an increase of $2m over the 2001-02 revised estimates. The main reasons for the increase include expenses for staff movements and improvement made to our internal communication system.

Conclusion

If Members have any questions concerning our work or estimates of expenditures, I am happy to answer. Thank you.