

**Information Paper for
LegCo Panel on Commerce and Industry**

**Reports on the work of the
Hong Kong Economic and Trade Offices**

This paper informs Members of the work of the Government's 11 Economic and Trade Offices (ETO) since our last report in July 2004. The work of each ETO is described in the relevant Appendix (1 to 11) attached herewith.

Commerce and Industry Branch
Commerce, Industry and Technology Bureau
June 2005

Report on the Work of the Geneva ETO

The main function of the Geneva Office is to represent Hong Kong, China as a member of World Trade Organisation (WTO). It also represents Hong Kong as a member in the International Textiles and Clothing Bureau (ITCB)¹ and the Advisory Centre on WTO Law (ACWL)², and as an observer on the Trade Committee of the Organisation for Economic Cooperation and Development (OECD) in Paris.

Commercial Relations

2. Over the past twelve months, the WTO has made some progress in the Doha Round of multilateral trade negotiations (also known as “Doha Development Agenda” or DDA). On 1 August 2004, WTO members reached agreement on a framework, commonly referred to as the “July Package”, for continuing the DDA negotiations. The major breakthrough was a framework for establishing modalities in agriculture negotiations that included such key elements as eventual elimination of export subsidies, substantial reduction of domestic support and a tiered formula for substantial improvements in market access. A less detailed framework on market access negotiations for non-agricultural products (NAMA) was also agreed. On services, it was agreed that revised offers should be tabled by May 2005. Negotiations on rules relating to trade facilitation were also launched.

3. Since early 2005, WTO members have developed a common goal for achieving a substantive breakthrough by the WTO Sixth Ministerial Conference (MC6), to be held in Hong Kong on 13-18 December 2005, with a view to concluding the DDA negotiations by end 2006. Significant progress is expected in five areas, namely, agriculture, NAMA, services, rules [including rules on anti-dumping, subsidies, fisheries subsidies, regional trade agreements (RTAs), and trade facilitation] and the development dimension. WTO members will assess the progress made in these areas and the expectations for MC6 in July 2005.

4. The Geneva Office has participated actively in the DDA negotiations. We aim for an ambitious and balanced overall package that will result in real new commercial opportunities. This is needed, not only to contribute to global economic growth but also to help offset the adjustments that some WTO members may experience. On NAMA, we support a tariff reduction formula that is simple, easy to apply and effective in addressing tariff peaks and high tariffs. This can be supplemented by the elimination or harmonization of tariffs in certain sectors, particularly those of export interest to developing members. On services, we have already submitted our revised offers for further liberalisation. We have also participated actively in various informal groupings of WTO members and in the negotiations on services rules, particularly those concerning domestic regulations. On anti-dumping negotiations, Hong Kong, China, together with a number of WTO members, have put forward a number of proposals to tighten and improve the disciplines, so as to reduce trade discrimination. We have also put forward proposals on trade facilitation, with a view to further expediting the movement, release and clearance of goods. On regional

¹ The ITCB is an international governmental organization formed by 24 developing, exporting members of textiles and clothing products and based in Geneva.

² The ACWL is an international governmental organization based in Geneva providing legal assistance and legal training concerning WTO law to its developing members and least-developed countries.

trade agreement (RTA) rules, we support improving the procedures for the notification and review of RTAs and clarifying and improving key disciplines. We have followed closely the progress of other negotiating areas, particularly agriculture and development-related issues, which are critical to the outcome of the DDA negotiations though of limited commercial interests to Hong Kong.

5. The Geneva Office also closely monitors WTO dispute cases of systemic or trade interest to Hong Kong. We have participated as a third party in two dispute cases, one between the United States and European Union on “*United States – Laws, Regulations and Methodology for Calculating Dumping Margins (“Zeroing”)*”, and the other between the United States and Japan on “*United States – Measures relating to Zeroing and Sunset Reviews*”. The panel process of both cases is still on going.

6. The Geneva Office has worked closely with other exporting developing members of textiles and clothing products in the ITCB to defend our exporting interests against protectionist pressures from some major importers and some less competitive exporters following the elimination of export quotas in January 2005.

7. The Geneva Office has participated actively in the ACWL and the Trade Committee of the OECD over the past twelve months. We also provided support to the Secretary for Commerce, Industry and Technology for his participation in the OECD Ministerial Meeting in May 2005 and his chairing of an informal ministerial meeting of selective WTO members in the margins of that event. The informal ministerial meeting was instrumental in unblocking negotiations in agriculture, thereby injecting new impetus to the rest of the DDA negotiations.

Looking Ahead

8. As the host of MC6, Hong Kong has a particular role to play this year in facilitating the negotiations in Geneva. Work is expected to intensify in the run-up to MC6 and through to the conclusion of the DDA negotiations (widely expected to be at end 2006). Tough negotiations and trade-offs are expected in the coming months in order to narrow the existing substantial differences in various negotiating areas. The Geneva Office will also continue to liaise closely with other WTO members, the WTO Secretariat, Geneva-based media and other relevant organisations in the preparation for MC6.

Hong Kong Economic and Trade Office, Geneva
June 2005

Report on the Work of Washington ETO

The main functions of the Washington Office are to monitor political and economic developments of the US and to represent Hong Kong's interests in the US capital. In specific terms, the Washington Office keeps a close watch on legislative proposals, executive actions and general sentiments in the US capital that may impact on the interests of Hong Kong, while at the same time seeks to promote Hong Kong's image as an international city, a vibrant and free economy, and a society that upholds the rule of law.

2. The Washington Office maintains close working relations with key US federal agencies, and cultivates a network of contacts with Congressional offices, the media, think-tanks, academia, and selected groups relevant to Hong Kong.

US Political Landscape

3. Over the past twelve months, the US Presidential and Congressional elections as well as the line-up of the second Bush Administration dominated the US political landscape. Not only was Bush re-elected to a second term, the Republicans retained control of both chambers (Senate and House) of the Congress with an expanded majority.

4. During the first few months of President Bush's second term, the agenda of his Administration has focused largely on social security reform, homeland security, the fight against terrorism and non-proliferation efforts targeting Iran and North Korea. Security considerations continued to play a key part in setting the tone of US foreign policy.

Commercial Relations

5. The Washington Office helps foster US-Hong Kong commercial relations through engaging federal agencies, Congressional offices, and other opinion formers to discuss matters of common concern, facilitating bilateral trade consultations, and assessing and reporting on developments that would affect Hong Kong's bilateral and multilateral trade and economic interests.

Security and Trade Facilitation

6. US foreign and domestic policies over the past twelve months continued to be dominated by the fight against terrorism and concern over homeland security. The Washington Office took all opportunities to highlight Hong Kong's contribution to enhancing security in the regional and global context without hampering legitimate trade, pointing to, for instance, Hong Kong's cooperation with the US in the Container Security Initiative, our leadership role in countering money-laundering activities and our strategic trade control system, which US considers a model for other economies.

Promoting Free Trade

7. We continued to monitor and report significant developments in the US which might potentially affect trade between US and its key trading partners including Hong Kong. These issues included petitions against China's currency exchange policy, and major anti-dumping and textile safeguard cases against China. On the multilateral front, as Hong Kong will host the sixth Ministerial Conference of the World Trade Organisation (MC6) in December 2005, we have impressed upon our interlocutors in the US Administration and business community the importance of achieving results and sustainable momentum at the Conference. Efforts were also made to promote Hong Kong's continued success in combating intellectual property violations, and on our expanding Closer Economic Partnership Arrangement (CEPA) with China as the platform for US businesses to exploit the comparative advantages of Hong Kong in accessing the Mainland China market.

Hong Kong's Constitutional Development

8. Hong Kong continues to be widely recognised in the US as one of the world's most open and free economies. Ongoing efforts are made by the Washington Office to brief its interlocutors on the implementation of "One Country, Two Systems" in Hong Kong.

9. Hong Kong's constitutional development remains an issue of interest to the US. The Washington Office continued to engage its interlocutors, setting out the constitutional background to the issue and keeping them abreast of the latest developments.

Public Relations

10. To raise the profile of Hong Kong in Washington, the Washington Office organised three major promotional events last year to present the cultural face of Hong Kong.

11. In May 2004, the Washington Office presented an original Chinese-themed production of the Hong Kong Ballet, *The Last Emperor*. In July 2004, the Office held a reception to mark the beginning of the Ninth "Made in Hong Kong" Film Festival, an annual event featuring productions of the Hong Kong film industry. In February 2005, the Washington Office hosted a reception celebrating the Chinese New Year with a record turnout of some 900 guests. Over the years, our spring reception has become a key event in the Washington social calendar.

12. All the above events attracted attendance of US officials at cabinet and senior levels, representatives of Congressional offices and the diplomatic corps, and leaders in the think-tank and business community.

13. Over the past twelve months, the Commissioner, USA (C,USA), and the Director-General of the Washington Office (DGW) engaged key interlocutors on a regular basis. Working with the Director of the New York Office and the Director of the San Francisco Office, C,USA travelled around the country calling on state officials, chambers of commerce, major corporations and the media to update them on the latest developments in Hong Kong and the opportunities for US businesses. DGW held briefings for the Washington-based organisations, such as the Congressional Legislative Staffers Association, Washington Network Group and UBS Forum to promote a better understanding of how Hong Kong was faring under “One Country, Two Systems”.

14. The Washington Office issued to key contacts regular newsletters, *Hong Kong Circle*, on the latest happenings in Hong Kong supplemented by electronic messages, *E-letter*, on specific subjects which might be of interest to them.

Looking Ahead

15. The last few months have seen increasing pressure from the Congress for tough action by the US Administration to address the ballooning trade deficit and the loss of domestic manufacturing jobs. Mainland China, which has the largest trade imbalance with the US, is perceived by many in the Congress as the main culprit. So far, the rhetoric against China has not impacted on Hong Kong but we will continue to monitor closely on possible unhelpful overspill.

16. With the upcoming MC6 to be held in December 2005, we will continue to work closely with the US Administration to keep up the momentum for a successful Ministerial. We will also step up liaison with the trade committees of the Congress and the US business community to gauge their expectations for the coming Ministerial.

Hong Kong Economic and Trade Office, Washington
June 2005

Report on the Work of the New York ETO

The New York Office is responsible for promoting economic and trade relations between Hong Kong and 31 states in the East Coast region of the United States.

Commercial Relations

2. We reach out to investors and the business sector to promote Hong Kong as a center for financial and professional services, business, trading, and logistics and as a gateway to Mainland China and the Asia-Pacific region. Director (New York) made 32 out-of-New York City visits to 22 cities in 15 states from June 2004 to May 2005 to meet with companies, business and trade organizations, state and city economic and trade offices and other relevant agencies. We also arranged 13 visits for the Commissioner, USA (C,USA) to give talks, meet contacts and officials in Georgia, Wisconsin, North Carolina, Florida and New York City.

3. In the past twelve months, we organized and sponsored 18 business events in collaboration with think tanks and professional and business bodies to promote Hong Kong highlighting the business opportunities brought about by the Closer Economic Partnership Arrangement (CEPA) between Hong Kong and Mainland China and the Pan- Pearl River Delta Co-operation and Development Forum. In addition to 18 talks on Hong Kong by Director (New York), we arranged 27 speaking engagements in 19 cities for the Secretary for Commerce, Industry and Technology (June 2004), the Financial Secretary, the Secretary for Financial Services and Treasury (July 2004), C,USA, the Director-General of Investment Promotion and seven other speakers from Hong Kong.

4. We encourage our interlocutors to acquire first-hand understanding about Hong Kong. We assisted 14 official / business and trade delegations to visit Hong Kong, and helped to arrange visit programmes / meetings for 26 VIP visitors, journalists and other contacts to visit Hong Kong.

Public Relations

5. As part of our outreach and public relations activities, over the past twelve months we organized 15 receptions, four Hong Kong dragon boat festivals in Boston, New York, Atlanta and Miami from June to October, sponsored four Hong Kong film series in Atlanta, Chicago and New York. We received six delegations, including two youth and one woman groups from Hong Kong.

6. To promote understanding on Hong Kong amongst young Americans, in 2005 we sponsored a nation-wide essay writing competition for high-school students which was organised by "In the Classroom", a non-profit making organization. The top three winners will visit Hong Kong for a week this summer. The New York Office also encourages and facilitates visits by university students, especially MBA students to visit Hong Kong as part of their study tours. Two law students took up internship programme at the Judiciary and the Department of Justice in Hong Kong last summer and two students from the Law School of the Yale University will be in Hong Kong for internship in June 2005.

7. We publish a monthly newsletter '*Hong Kong Digest*' and keep our interlocutors in academic, business and media circles informed of major political and economic developments in Hong Kong in a timely manner through emails and over 200 news releases. The Office also monitors media sentiments regarding Hong Kong and maintains close working relations with the US media.

Investment Promotion

8. With continuing strong international interest in China and Hong Kong's potential as a bridge to that market, the Investment Promotion Unit undertook more activities. The promotional programme continues to be structured around the priority business sectors, with company visits targeted in the areas of financial services, business and professional service, technology, media and multimedia, transportation, trade related services, IT and telecommunications. During the past year, the investment promotion team visited some 294 companies, and assisted 16 companies in establishing business operations in Hong Kong. Successful promotional events were arranged in leading national markets, including Chicago and New York, with the support of senior officials from Invest Hong Kong.

9. With the resumption of growth and confidence in the US economy, corporate interest in offshore investment continues to climb steadily. China continues to be the main driver of US global business activity, and Hong Kong is well positioned to secure significant investment as a result of current promotional work in this market. In this context, CEPA is increasingly being recognized as a significant incentive for companies to consider Hong Kong as a base for business operations. This is reflected in the increasing number of companies willing to receive calls by the Investment Promotion Unit, and the interest demonstrated by strong attendance at promotional events.

Looking Ahead

10. We will continue to seek every opportunity to promote CEPA and the Pan-Pearl River Delta Co-operation and Development Forum, Hong Kong as the ideal location for the establishment of regional offices, the preferred logistics, business, conference and exhibition center in Asia. We plan to organize a number of business seminars in major cities in the East Coast. The forthcoming mega events including the opening of the Disneyland in September, the WTO Ministerial Conference in December 2005 and the ITU TELECOM World 2006 will attract more tourists, businessmen and officials from the US to Hong Kong in the coming year. In addition to the continued organization of film events and dragon boat festivals, we shall showcase Hong Kong's vibrant cultural life by bringing the Hong Kong Chinese Orchestra and the City Contemporary Dance Company to perform in New York in October 2005 and possibly another performance in early 2006.

Report on the Work of the San Francisco ETO

The San Francisco Office is responsible for promoting Hong Kong's economic and trade interests and strengthening economic ties and network between Hong Kong and the 19 US states west of the Mississippi River.

Commercial Relations

2. Over the past twelve months, we continued to reach out to the business community, political and government leaders, academic institutions, think tanks and the media in US west to promote the unique position of Hong Kong as a business gateway to the China market, focusing on the new business and investment opportunities brought about by the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the setting up of the Pan-Pearl River Delta Cooperation Forum. In particular, Director (San Francisco) made a number of visits to the key cities and business hubs, including Los Angeles, Seattle, Dallas, Houston, Denver, Las Vegas and the Silicon Valley to promote the Hong Kong message.

3. We also organized visit programs for prominent visitors from Hong Kong's business sector, including Mr Andrew Sheng, Chairman of the Securities and Futures Commission, Dr Robert Yang, CEO of Applied Science and Technology Institute, Mr Nick Yang, CEO of Cyberport, and Mr Peter Rhodes of Heller Ehrman. These visits were particularly useful in updating the US business community on the latest developments in specific economic sectors in Hong Kong, such as the hi-tech and the financial services sectors.

4. In addition, we assisted in lining up meeting programs for government and business delegations from the US west who traveled to Hong Kong. They included Mr Gary Locke, Governor of Washington State, Mr Mike Johanns, Governor of Nebraska State, Mr Cruz Bustamante, Lieutenant Governor of California State, Mr Steve Westly, California State Controller, Hon Ignacio De La Fuente, President of Oakland City Council, a delegation of senior US judges and lawyers, and a Utah trade mission led by the State of Utah International Business Development Office. We also arranged selected opinion formers to visit Hong Kong, including Mr George Scalise, President of Semiconductor Industry Association, Ms Kara Kelley, President and CEO of Las Vegas Chamber of Commerce and Dr Diana Bonta, former Director of the California Department of Health Services. The purpose of these visits was to ensure that the visitors had direct interface with the relevant people and institutions in Hong Kong, so as to let them have a more in-depth understanding of Hong Kong.

Public Relations

5. Over the past twelve months, we continued to maintain close relations with the media to monitor their sentiments and concerns over issues related to Hong Kong. We also disseminated messages of Hong Kong through our regular newsletter "*e-HK*", the joint website for the three ETOs in the US, and press releases on major developments and important news in Hong Kong.

6. As part of our PR initiatives, we published two newspaper supplements featuring Hong Kong in two major mainstream newspapers on the west coast - the *San Francisco Chronicle* and the *Houston Chronicle*. The supplements served to introduce Hong Kong, including our political and legal systems, the economy and the latest developments to the readers in US west.

7. We also promoted Hong Kong through cultural and academic exchanges. On the cultural front, following the successful performance of the Hong Kong Ballet in San Jose in early 2004, we arranged for the visit of the Hong Kong Wushu Team to San Francisco and Berkeley in March and April 2005 to promote Hong Kong culture and wushu. On the academic side, we arranged speaking functions and meetings with the academia for Professor Lap-chee Tsui, Vice Chancellor and Professor Chack-fan Lee, Pro Vice-Chancellor of the University of Hong Kong during their visits to the US.

Investment Promotion

8. Over the past twelve months, the western states experienced slow but steady economic growth, and hence the companies became more willing to expand their investments overseas. The interests in Hong Kong as a destination for investment have increased with the introduction of CEPA.

9. The Investment Promotion Unit in San Francisco ETO is dedicated to the promotion of US investment into Hong Kong. The Unit takes the initiative to meet with targeted companies and assist them with their business expansion plans into Hong Kong. Over the past twelve months, the Unit visited 176 companies in various states and arranged for the executives of 33 companies to visit Hong Kong. The Unit also cooperated with Invest Hong Kong in organizing investment promotion events in targeted markets, including Austin and Dallas of Texas, Salt Lake City of Utah, and San Diego and Santa Clara of California.

Looking Ahead

10. For the coming year, the San Francisco Office will continue its efforts in promoting Hong Kong and attracting investments to Hong Kong. As announced by the then Chief Secretary for Administration after the fifth meeting of the Hong Kong/Guangdong Cooperation Joint Conference held on 12 May 2005, the Governments of HKSAR and Guangdong Province are planning to organize a large-scale joint promotional event in San Francisco in October 2005 to promote the business and investment opportunities in Hong Kong and Guangdong. The San Francisco Office will continue to work closely with parties concerned in making the event a success.

Report on the Work of the London ETO

The London Office is responsible for promoting Hong Kong's economic and trade relations with the United Kingdom (UK), Switzerland, Norway, Russia, the ten new European Union (EU) member states of Hungary, the Czech Republic, Poland, Cyprus, Malta, the Slovak Republic, Latvia, Lithuania, Estonia and Slovenia, as well as Romania, Bulgaria and Croatia.

Commercial Relations

2. With the implementation of the Closer Economic Partnership Arrangement (CEPA), the emphasis of our business promotion work over the past twelve months was the unique position and advantages of the Hong Kong Special Administrative Region (HKSAR) in China's rapid growth and the opportunities available to overseas companies under CEPA. On 26 October 2004, the HKSAR Government and the People's Government of Guangdong Province jointly organised the "Hong Kong – Guangdong Business Seminar in London 2004" at the Queen Elizabeth II Convention Centre. The Seminar was the biggest of its kind ever staged in Europe and was well attended by over 1,200 guests from the UK business and political communities. The Deputy Prime Minister Mr John Prescott, the Ambassador of the People's Republic of China to the UK Mr Zha Peixin, the Guangdong Governor Mr Huang Huahua and the then Chief Secretary for Administration delivered speeches on the occasion. In his keynote address on "Hong Kong – Springboard for your China business", the Chief Secretary for Administration highlighted the distinct advantages of Hong Kong as a place to access opportunities in the Mainland of China, particularly the Pearl River Delta Region. On 6 May 2005, the Secretary for Commerce, Industry and Technology also delivered a speech on the economic benefits of CEPA at a Hong Kong Association luncheon in London.

3. Outside of the UK, the London Office co-organised with the Hong Kong Trade Development Council (TDC) nine business seminars across the continental Europe. The economic recovery of Hong Kong and the opportunities under CEPA were the main subjects covered. These seminars were held in the Czech Republic, the Slovak Republic, Poland, Hungary, Malta, Russia (at Moscow and St Petersburg) and Norway.

4. In the run-up to the WTO 6th Ministerial Conference to be hosted by Hong Kong in December 2005, the London Office stepped up contacts with the UK Department of Trade and Industry and called on the respective economic department of the ministry of foreign affairs and the ministry of the economy in the Central and Eastern European countries to update them on Hong Kong's preparatory work relating to the Conference.

Public Relations

5. Over the past twelve months, the Secretary of State for Foreign Affairs submitted to the UK Parliament two six-monthly reports (i.e. in July 2004 and March 2005) on Hong Kong on the implementation of the Joint Declaration. The London Office liaised with the Foreign and Commonwealth Office and monitored any Parliamentary reaction. The London Office also met with individual members of the House of Commons and the House of Lords to keep them abreast on developments in Hong Kong.

6. Eight Principal Officials of the HKSAR Government visited London over the past twelve months. These included the Secretary for Economic Development and Labour (June 2004), the Financial Secretary (July 2004), the Secretary for Security (September 2004), the Chief Secretary for Administration (October 2004), the Secretary for Justice (January 2005), the Secretary for Education and Manpower (February 2005), the Secretary for the Civil Service (April 2005) and the Secretary for Commerce, Industry and Technology (May 2005). The Chief Secretary for Administration also visited Prague during his October 2004 trip and called on the Czech President. Invariably, the London Office drew up a full itinerary of bilateral meetings and visits relevant to their respective areas as well as luncheon talks and media briefings for our senior officials to update interlocutors on the latest development in Hong Kong. Where appropriate, we also arranged for Hong Kong students studying in the UK to meet with visiting officials to enhance their understanding of Hong Kong. The London Office maintained good contacts with these student bodies.

7. Apart from senior officials' visits, the London Office also organised functions for other visiting officials to meet with their counterparts in the UK. Over the past twelve months, such support was rendered to the Commissioner for Innovation and Technology (CIT), the Director-General of Investment Promotion (DGIP) and a delegation to study Public Private Partnership led by the Head, Efficiency Unit. The London Office also received Hong Kong delegations from the Broadcasting Authority and the Hong Kong Council for Academic Accreditation and briefed them on the work of the ETO.

8. To tie in with the visit of the Chief Secretary for Administration to the Czech Republic, the London Office staged a concert by the Hong Kong Chinese Orchestra in Prague on 29 October 2004. On that occasion, a nine-member ensemble of the Hong Kong Chinese Orchestra performed at the historic Prague Municipal House, attracting some 200 guests from the diplomatic, business and social communities. The London Office also staged a photograph exhibition entitled 'Hong Kong Looking Ahead' in East London on 11 July 2004 on the occasion of the London Dragon Boat Festival. Receptions were held in ten European cities during the Chinese New Year period to renew ties and provide updates on Hong Kong.

9. Over the past twelve months, six influential opinion formers from the UK went on sponsored visitors' programme to Hong Kong under the nomination of this office. The visitors were all very positive about Hong Kong in their post-visit feedback. Another ten journalists nominated under a separate visits programme also paid visits to Hong Kong during this period. They came from mass-circulation publications and specialised magazines in the United Kingdom, the Czech Republic and Poland. Most of the post-visit publications by the sponsored journalists were positive about Hong Kong. Sponsored visits to Hong Kong by the UK First Civil Service Commissioner and two more journalists are scheduled to take place in late May and June 2005.

10. To reach out to a bigger audience, the London Office revamped its website (www.hketolondon.gov.hk) in end-December 2004 providing an enriched content, a more user-friendly design and a better interface. The Office also launched a regular Newsletter '*Hong Kong Review*' in January 2005, followed by subsequent issues in March and April. More than 4,000 copies of each issue were distributed to interlocutors in the UK and other countries under the London Office's purview. These newsletters were supplemented by e-mail alerts on important news about Hong Kong. Since June 2004, eight e-mail alerts have been issued.

Investment Promotion

11. Activities of the Investment Promotion Unit (IPU) in the latter part of 2004 were dominated by the organisation of the above-mentioned “Hong Kong – Guangdong Business Seminar in London 2004”. In addition to the morning’s joint session with the Guangdong authorities, an afternoon seminar focussed on Hong Kong as business gateway to the China market was organised by IPU in collaboration with TDC.

12. Over the past twelve months, in addition to the normal schedule of meetings with companies, IPU arranged company meetings for six incoming sector teams from Hong Kong covering information technology, transportation and logistics, tourism and entertainment, trade related services, telecommunication and multimedia. An investment promotion trip to Poland was organised for DGIP to meet with Polish companies, government and multiplier organisations. In May 2005, a three-day visit programme (comprising London, Oxford and Cambridge) was organised for CIT to introduce the Innovation and Technology Commission’s new programme of incentives for companies to use Hong Kong as a platform for technology commercialisation.

13. The number of new potential investors in the UK attracted by IPU to invest in Hong Kong in 2004 amounted to 35, representing an increase of 85% over 2003. The number of investors who had been assisted by IPU and completed setting up their new operations in Hong Kong in 2004 increased by 90% over the previous year, totalling 19. Amongst them is the London Stock Exchange, which set up an office in Hong Kong in October 2004.

Looking Ahead

14. The London Office will continue to promote Hong Kong and maintain close contacts with interlocutors in the countries under its preview. Following the 5 May 2005 UK general election, we will renew relations with re-elected MPs and establish contacts with newly elected MPs interested in Hong Kong affairs. With the UK assuming presidency of the European Union in the second half of 2005, we will step up liaison with UK government contacts to monitor any developments of interest to Hong Kong. To enhance Hong Kong’s profile, particularly relating to “Discover Hong Kong 2006”, the London Office will take part in the Lord Mayor’s Show in November 2005. On investment promotion, aside from normal company meetings and incoming sector team visits, events are being planned for Scotland and Russia before end 2005 to attract new investors to Hong Kong.

Hong Kong Economic and Trade Office, London
June 2005

Report on the Work of the Brussels ETO

The Brussels Office is responsible for representing Hong Kong's economic and trade interests in the European Union (EU), European Commission (EC) and European Parliament (EP); and for the bilateral relations with 14 member states of the EU viz. Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Ireland, Luxembourg, the Netherlands, Portugal, Spain and Sweden.

Commercial Relations

2. Over the past twelve months, in respect of commercial relations, the Brussels Office focused on multilateral trade negotiations and bilateral commercial relations

3. As Hong Kong will host the Sixth Ministerial Conference of the World Trade Organisation (WTO) in December 2005, the Brussels ETO has been maintaining close contact with senior trade officials in the European Commission and Member States to assess the EU position on various trade issues. We invited senior government officials from EU Member States responsible for trade negotiations, including the Irish Minister for Trade and Commerce, to visit Hong Kong and to have discussions with our trade officials. In Brussels, we continued to meet with trade representatives from different countries on a regular basis.

4. On the bilateral front, we facilitated the signing of two Memoranda of Understanding for further cooperation between the communications industries of Hong Kong and Ireland, and of Hong Kong and Finland respectively. The Finnish Government has agreed to restart negotiations for an Investment Promotion and Protection Agreement with Hong Kong.

5. The abolition of textile quotas since 1 January 2005 has attracted strong responses from the European textiles and clothing industries, and governments alike. The European Commission has opened investigation for safeguard actions into nine categories of textile products, and initiated emergency safeguard action on two of them. The Brussels Office is fully aware of the concerns of the Hong Kong textiles and clothing industries and is closely monitoring developments in this regard.

Public Relations

6. Over the past twelve months, the Brussels Office regularly updated our interlocutors in the political, business and media fields on the latest developments in Hong Kong.

7. On the cultural front, music students from the Hong Kong Academy for Performing Arts staged performance in Brussels, The Hague, Berlin, Frankfurt and Vienna during our Chinese New Year receptions in 2005. The Hong Kong Chinese Orchestra also joined the CS' European tour and performed in Berlin and Dublin in 2004. The Hong Kong Film Panorama is being organised for the second year running. Fourteen recently produced and classic films are on a revolving road show in more than 10 European major cities. So far this year, the films have been shown in Hamburg in April, and in Antwerp and Brussels in May.

8. On the bilateral front, we are following up with Ireland and Germany on a student exchange programme. We are also exploring the possibility of seconding civil servants to the Irish Government to share experience in the information technology field. We will continue to promote bilateral judicial cooperation with Member States. We will also encourage and facilitate visits to Hong Kong by European Head of State / Government and Cabinet Ministers as a means to enhancing our bilateral relationship.

Senior Officials' Visits

9. The Brussels Office also makes arrangements for senior officials to visit Europe to promote our commercial interests and to facilitate further cooperation with the EU. For instance, the Secretary for Commerce, Industry and Technology led a business delegation from the information, communications and technologies sectors to Ireland and Finland (May 2005) and met with government representatives and business people. The Secretary for Health, Welfare and Food (May 2005), Director for Food and Environmental Hygiene (November 2004), and Controller of Centre for Health Protection (September 2004) visited Belgium, Finland, the Netherlands, and Sweden respectively to see their public health systems, food control measures, and elderly care services. The Secretary for the Civil Service visited Ireland (April 2005) to exchange views with his Irish counterparts on civil service matters. The Permanent Secretary for Economic Development and Labour (Economic Development) visited Denmark, Sweden and Finland (February 2005) and had useful exchanges with government officials and business leaders on aviation and shipping matters. The Commissioner, ICAC was invited by the Austrian Federal Government to share ICAC's experience at a conference held in Vienna (November 2004). The Chief Secretary for Administration visited Germany and Ireland (October and November 2004) to promote new European investment in Hong Kong and to introduce to the leaders of those countries the latest developments in Hong Kong. The Secretary for Security was in Belgium (September 2004) to attend the first meeting of the Joint EC-Hong Kong Readmission Committee. These visits have undoubtedly laid a solid foundation for further collaborations between Hong Kong and Europe in the future.

Investment Promotion

10. The Investment Promotion Unit in Brussels Office supervised the successful organisation of a joint investment promotion event in Europe by Invest Hong Kong and Shenzhen in Stockholm in August 2004, with nearly 180 people attending. Another such joint promotional event was organised in May 2005 in Milan.

11. Last year, we continuously worked towards achieving the completed investment project targets as defined by Invest Hong Kong head office at the beginning of 2004. This was nearly achieved for the overall territory of Western Europe (39 completed projects in 2004, while 40 was the objective).

12. Since 2005, we have, through our many marketing initiatives and constant contacts with firms in the area, observed that there has been a continuous interest from European firms to establish themselves in Hong Kong to cover the Far East and in particular China. At the end of April 2005, we and our consultants have already secured 16 completed projects, against an overall target of 40 for 2005. All indicators point to the fact that this target will be reached, barring any special circumstances.

13. The Avoidance of Double Taxation Agreement signed between Hong Kong and Belgium has increased European firms' interest in Hong Kong, as shown by the responses to the seminars co-organised by us in March (with MeesPierson Intertrust) and April (with PWC).

Looking Ahead

14. Looking ahead, one of our most important priorities is the upcoming WTO Ministerial Conference in Hong Kong. We will continue to liaise closely with trade officials from the European Commission and Member States and assess the EU position on various issues, with a view to facilitating constructive dialogue ahead of the Conference in December.

15. We will monitor economic and political developments in Europe and assess their impacts on Hong Kong, such as the safeguard measures against textile imports from China, the EU-China Strategy, the ratification of the European Constitution, and the implementation of the EU's economic reform, etc.

16. We will continue to relay important messages from Hong Kong to our interlocutors. This will be achieved through regular meetings and duty visits, cultural events such as film festivals and arts performances, and senior officials' visits to/from Hong Kong.

Hong Kong Economic and Trade Office, Brussels
June 2005

Report on the Work of the Tokyo ETO

The Tokyo Office is responsible for promoting Hong Kong's economic and trade interests in Japan and Korea.

Commercial and Public Relations

2. The emphasis of our work in the past twelve months has been on promoting opportunities for Hong Kong, Mainland China, Japan and Korea collaboration created by China's entry into the World Trade Organisation, CEPA and enhanced access into the Mainland markets for Japanese and Korean companies through Hong Kong, increasing interest on the use of Hong Kong as a regional corporate base, new opportunities in the burgeoning Pearl River Delta (PRD) and attractions of the Pan-PRD (PPRD) model. All these themes were launched against the broad backdrop of "One Country, Two Systems" and Hong Kong as Asia's World City.

3. As part of our day to day work, the Tokyo Office seeks to establish and develop Hong Kong's constituents in government, legislature, the business community, the media, the think tank community, the academia, the diplomatic community and other sectors relevant to our priorities. Over the past twelve months, we held regular meetings and briefings and maintain dialogue with our constituents to keep them up to date about the latest developments in Hong Kong and how these developments may be of interest to them. We disseminated information on Hong Kong through the Hong Kong Liner (newsletter of the ETO) and the Tokyo ETO website, briefings, seminars, conferences, speeches, interviews and other media and public relations activities. We sought support on matters of interest to Hong Kong from key opinion formers and influential leaders. We also undertook assessments and provided reports on developments in Japan and Korea which might affect Hong Kong's interests.

4. We continued to make use of the Hong Kong Japan Partnership Roundtable (HKJPR) (set up in 2003 with the assistance of the Tokyo Office to help promote Hong Kong) as another partner in developing and implementing strategies and programmes to strengthen the flows of people, goods, services and funds between Hong Kong, Mainland China and Japan. Following the first HKJPR mission organized for Japanese delegates to visit Hong Kong and the PRD in December 2003, another mission was organized for Hong Kong delegates to visit Japan in August 2004. Both missions sought to provide opportunities for delegates to explore opportunities for collaboration between Hong Kong, Mainland China and Japan under the framework of CEPA, PRD and the PPRD model. The HKJPR also launched the first Hong Kong Sedan Chair Race in Japan. The race held in Yokohama received strong patronage of the Yokohama City Government. The HKJPR project culminated to a high point in January 2005, when the Hong Kong Japan Year 2005 project was launched in Japan by the Hong Kong community, concurrently with the Japan Hong Kong Year 2005 project launched in Hong Kong by the Japanese community. Both projects are designed to provide individuals and organizations from Japan and Hong Kong with a framework to organize activities to help strengthen the ties between Hong Kong and Japan.

5. On bilateral relationship, in August 2004, a Memorandum of Understanding on Cultural Cooperation was signed between Hong Kong and Korea during the visit of the Secretary of Home Affairs to the latter.

6. Over the past twelve months, the Tokyo Office provided support to nine visits by Principal Officials: Secretary for Home Affairs (August 2004 to Korea), Secretary for Commerce, Industry and Technology (September 2004 to Korea), Secretary for Financial Services and the Treasury (September 2004 to Japan), Secretary for Home Affairs (October 2004 to Japan), Financial Secretary (January/February 2005 to Japan and Korea), Secretary for Commerce, Industry and Technology (April 2005 to Japan), Secretary for Security (May 2005 to Japan and Korea), Secretary for Commerce, Industry and Technology (June 2005 to Korea) and Secretary for Financial Services and the Treasury (June 2005 to Korea). We made use of the opportunities provided by these visits to strengthen the high level contacts between Hong Kong and the host countries and to launch activities to promote Hong Kong.

7. In addition, the Tokyo Office provided support to the visit programmes of the Permanent Secretary for Health, Welfare and Food (May 2004 to Korea), the Chairman of the Greater Pearl River Delta Business Council (September 2004 to Japan), the Chairman of the Japan Hong Kong Business Cooperation Committee (January 2005 to Japan). We also supported a technology promotion roadshow undertaken by the Commissioner of Innovation and Technology, CEO of Cyberport and CEO of Hong Kong Science and Technology Parks Corporation (October 2004 to Korea). In addition, we assisted eight delegations from various government departments in arranging their visits to Japan.

8. In the other direction, for Japan, we assisted in arranging the visit programmes of two Diet members from Japan, viz the Mayor of Kitakyushu and the former Prime Minister Yoshiro Mori, a delegation of Yokohama Chamber of Commerce and Industry and two journalists to Hong Kong. For Korea, we assisted in arranging the visit programmes of two National Assembly lawmakers, the Chairman of the Samsung Economic Research Institute, the Chairman of the Seoul Financial Forum, the visiting delegation of the Seoul Financial Forum and the Vice-Chairman of the Korean Federation of SMEs.

9. The head of the Tokyo Office visited regions outside the capital cities of Tokyo and Seoul to ensure important interlocutors in the regions outside the capital cities were updated about how recent developments in Hong Kong might be of interest to them. For Japan, prefectures and cities covered included Kanazawa (Ishikawa prefecture), Fukui city (Fukui prefecture), Utsunomiya city (Tochigi prefecture), Kobe city (Hyogo prefecture), Nagasaki city (Nagasaki prefecture), Fukuoka city (Fukuoka prefecture), Kitakyushu city, Osaka, and Nagoya (Aichi prefecture). For Korea, cities covered included Busan and Jeju.

Investment Promotion

10. In 2004, the Investment Promotion Unit arranged 11 sector based promotional visits while in 2005, it has launched five visits targeting multiple sectors. The Hong Kong Shanghai Investment Environment Seminar was held in March 2005 to promote investment opportunities of Hong Kong and Shanghai to the Japanese business community. The promotional activities in Japan led to 33 Japanese companies, including Monteroza, Benesse Corporation and Toshiba Logistics Co. Ltd., setting up offices or expanding their operations in Hong Kong in 2004.

Looking Ahead

11. On the economic front, with China becoming the largest trading partner with Japan and Korea, we will watch and assess the opportunities presented to Hong Kong by such developments.

12. For Japan, we will take advantage of the Hong Kong Japan Year 2005 project to launch promotional initiatives to enhance the business, tourism, cultural and educational exchanges between Hong Kong and Japan.

13. For Korea, we will seek to leverage on the coming APEC Finance Ministers and APEC Economic Leaders Meetings to be held in Korea to strengthen our relationship with Korea. We will also look for opportunities to raise Hong Kong's profile in Korea in the coming months.

Hong Kong Economic and Trade Office, Tokyo
June 2005

Report on the Work of the Guangdong ETO

The Guangdong Office seeks to promote trade and economic relationships between Hong Kong and Guangdong Province, to provide better support services for Hong Kong businesses operating in Guangdong, especially the Pearl River Delta, and also to provide advisory service and assistance to enterprises in the province, which are looking for direct investment opportunities in Hong Kong.

2. We recognise the importance of working together with other Hong Kong business organisations in Guangdong including the Hong Kong Trade Development Council, the Hong Kong Productivity Council etc., as well as various trade associations to produce synergy. We have therefore maintained close working relation with these organisations and have co-organised activities with them such as seminars to promote Hong Kong's professional services and visits to Guangdong to assist Hong Kong businessmen to look for investment opportunities in the province. A joint party of Hong Kong enterprises operating in Guangdong was first organized in November 2002 in Dongguan and has now become an annual event to be held in a different municipality in turn. In December 2005, we will co-organize a special TV programme entitled "Guangdong and Hong Kong Are One Family to Achieve a Win-Win Situation" with the Guangdong TV Station to highlight the unity of Hong Kong business organisations in Guangdong and the close relationship between Guangdong and Hong Kong.

3. With the growing economic relation between Hong Kong and Guangdong in recent years, particularly since the implementation of CEPA in 2004, mutual visits by senior government officials of Hong Kong and Guangdong have become more frequent. In the past twelve months, the Guangdong Office has assisted government departments both in Hong Kong and Guangdong in planning and coordinating a number of such visits. This was in addition to our efforts in providing logistical support for the Expert Groups under the Hong Kong/Guangdong Cooperation Joint Conference and CEPA when meeting in Guangdong.

Trade Promotion

4. Over the past twelve months, the Guangdong Office has continued its effort in providing Hong Kong enterprises with a wide range of services beneficial to their business development in Guangdong Province. The weekly Guangdong ETO Newsletter issued on Fridays provides the latest information on economic and trade-related developments and activities held in the Province. Since September 2004, we have expanded the distribution list and have made it easier for readers to obtain information contained in the Newsletter. We have also produced and updated various publications/leaflets to help Hong Kong businessmen understand the economic and trade information in Guangdong. These include "List of CEPA-related Websites in Hong Kong, Guangdong and the PRD" and "List of Economic and Trade-related Websites in Guangdong".

5. Over the past twelve months, we had organized some 15 activities which are conducive to the business development of Hong Kong enterprises in Guangdong, including the “CEPA Forum on Trade in Services” (July 2004), the “Interchange Gathering on Issues relating to Running Foreign Trade Business in Guangdong by HK Businessmen under the Revised Foreign Trade Law” (September 2004), the “Symposium on Guangzhou Regulations and Policies—CEPA II Trade in Services” (November 2004) and the “Seminar on the Automatic Export License of Textile Products” (February 2005). In addition, we have since April 2005 organized “Gathering with Heads of Hong Kong’s Trade Associations” on a regular basis in order to maintain direct communication with trade associations in Hong Kong, better understand the problems they have encountered and gauge their views on investment and business environment in Guangdong. Moreover, we have actively assisted Hong Kong enterprises by reflecting their common concerns on investment environment to relevant government departments in Guangdong and taking follow-up actions. Some important issues include arrangements on exports of textiles products, labour shortage, electricity shortage and problems faced by some Hong Kong businessmen in “CEPA Hong Kong City” in the Province.

Investment Promotion

6. Attracting Guangdong enterprises to invest in Hong Kong is another major focus of work of the Guangdong Office. We visited some 200 Guangdong enterprises in the past 12 months and provided assistance for them to set up a presence in Hong Kong.

7. We have also built up strategic working relationship with more than 20 local trade and industrial organizations. These organizations would refer their members to us for assistance if they are interested in investing in Hong Kong. Moreover, we have conducted a survey jointly with the Shenzhen Enterprises Federation/Shenzhen Entrepreneur’s Association to have a better understanding of the investment interests and the considerations of the Shenzhen enterprises. We are analyzing the data collected.

8. In the past twelve months, we organized four large-scale seminars to promote Hong Kong as an ideal investment location, namely the “Hong Kong Market Situation and Business Environment” (August 2004) in Zhuhai, the “Shenzhen Enterprises to Make Use of Hong Kong to Explore Overseas Markets” (December 2004) in Shenzhen, the “Locate in Hong Kong, Face the World” (December 2004) in Shenzhen, and the “One Stop Service for Investing Hong Kong” (March 2005) in Guangzhou. Moreover, in order to promote the Invest Hong Kong’s initiatives in response to the new investment facilitation measures introduced by the Ministry of Commerce, we held a briefing for the officials in the Department of Foreign Trade and Economic Cooperation of Guangdong and their counterparts in the Bureaus of Foreign Trade and Economic Cooperation in the 21 prefecture-level cities in February 2005. We also organized two investment study missions to Hong Kong to enable Guangdong enterprises to gain first-hand information concerning Hong Kong and facilitate their investment decision. We also assisted Invest Hong Kong to receive three delegations from the Guangdong Province in Hong Kong last year. Furthermore, we sent representatives to speak in the seminars organized by different bodies in Guangdong and participate in local trade fairs. All in all, we made use of every opportunity to make contact with Guangdong enterprises and encourage them to have presence in Hong Kong.

Public Relations

9. Over the past twelve months, the Guangdong Office continued with its on-going promotional efforts to project a positive image of Hong Kong as well as its strengths and potentials in fostering greater business opportunities between Guangdong and Hong Kong. We collaborated with various government departments and other Hong Kong organisations to launch massive promotional projects. The highlight of these projects was a Tourism Roadshow held in May 2005 when the Financial Secretary led a high level delegation from the tourism sector to Guangzhou to help publicise the new tourist attractions in Hong Kong, including the Disneyland, to the local community. Close working relationship has been established with the local mainstream media to ensure that a fair and accurate picture on the latest social and economic situation of Hong Kong was reported.

10. We received and gave interviews to several veteran journalists from the UK, Germany and the Switzerland. The subsequent reports published by these journalists helped promote the Pearl River Delta as a “world factory” to the European community.

Looking Ahead

11. In the coming year, the Guangdong Office will continue to enhance our ties and communication with the provincial and municipal authorities to achieve greater economic co-operation and to forge closer business links between Hong Kong and Guangdong. We will closely monitor the economic and trade developments in Guangdong, in particular the implementation measures relating to CEPA; to disseminate timely relevant information to the economic and trade-related departments of the SAR Government and Hong Kong businessmen; and to follow up on common concerns of Hong Kong enterprises operating in Guangdong. Moreover, we will organize thematic talks and seminars having regard to the latest economic and trade-related developments in Guangdong, as well as regularly organizing “Gathering with Heads of Hong Kong’s Trade Associations” to strengthen communication and understanding with trade associations in Hong Kong. On investment promotion, we will continue to follow up with individual Guangdong enterprises on their investment interest in Hong Kong as well as organizing large-scale promotion events. We will continue our discussions with the Department of Foreign Trade and Economic Cooperation of Guangdong on publishing a “Step by Step Investment Guide for Guangdong Enterprises”.

Hong Kong Economic and Trade Office, Guangdong
June 2005

Report on the Work of the Sydney ETO

The Sydney Office is responsible for Hong Kong's economic and trade relations with Australia and New Zealand. In the past twelve months, the Sydney Office has continued to vigorously promote Hong Kong as Asia's premier international city and explain government policies and initiatives to political leaders, government officials, the business community and the general public. This is done mainly through regular liaison, speaking engagements, business conferences, radio interviews, media briefings, press releases and special reports, and letters to editors etc.

Investment Promotion

2. Over the past twelve months, our Investment Promotion Unit visited a good many Australian and New Zealand companies and assisted interested parties in establishing or expanding their presence in Hong Kong. So far 10 projects have been completed successfully, which resulted in nine Australian investors and one New Zealand company setting up offices in Hong Kong.

3. Other investment promotion activities during the period included briefings organised in conjunction with the local trade and business organisations in the state capitals of New South Wales, Victoria and Queensland of Australia as well as Auckland and Wellington in New Zealand. Response to the briefings has been both encouraging and positive. The appointment of a consultant in Melbourne served to strengthen investment promotion and liaison work in the states of Victoria and South Australia. To further augment efforts in this area, a consultant was appointed in Auckland, New Zealand in March 2005.

Commercial Relations

4. On the commercial relations side, the Sydney Office has been watching closely any trade-related developments, such as trade disputes, trade negotiations and anti-dumping investigations by Australia and New Zealand, that may have a bearing on Hong Kong's trade interests. We also monitored closely the foreign and trade policies of the two governments, and their respective positions in multilateral and regional forums, such as the World Trade Organisation and the Asia-Pacific Economic Cooperation. We paid particular attention to the progress of bilateral trade negotiations between Australia/New Zealand and other countries/regional groupings, including the Mainland and Hong Kong.

5. Over the past twelve months, there were no major trade disputes between Hong Kong and Australia/New Zealand. It is worth noting that Australia and China have commenced negotiations for a Free Trade Agreement, and we are watching developments closely.

Public Relations

6. Over the past twelve months, the Sydney Office has been proactive in showcasing Hong Kong as Asia's world city and our position as the gateway to the China market. We have also continued with efforts to cultivate and maintain relations with mainstream Australian and New Zealand media as well as the local Chinese media. In particular, we commissioned a 16-page special report in *The Australian*, a national daily newspaper, which highlighted the abundant opportunities Hong Kong continues to offer Australian business and our position as a global centre for trade, finance, business and communications. The Sydney Office also continued to contribute regular Hong Kong updates to magazines and newsletters published by Australian business associations, including the Australian Institute of Export, the Australia China Business Council and various state chambers of commerce.

7. Other events organised or sponsored to showcase Hong Kong included a series of Chinese New Year receptions; the 2005 City of Sydney Chinese New Year Festival programme; networking events and business briefings. To promote Hong Kong's film industry, the Sydney Office has been supporting various film festivals, namely the Adelaide Film Festival, Sydney Film Festival and Melbourne International Film Festival in Australia and the Asia Film Festival Aotearoa in New Zealand, in presenting a range of Hong Kong films. We also lent support to other film appreciation events such as panel discussions of Hong Kong's movie history and the screening of select Hong Kong films by local cultural and arts organisations.

8. Over the past twelve months, a number of senior officials from Hong Kong visited Australia, including the Secretary for the Environment, Transport and Works; the Secretary for Economic Development and Labour; the Director-General of Trade and Industry and the Director-General of Investment Promotion. Arrangements were also made for four visitors from Australia, comprising influential personalities from both the public and private sectors, and three journalists, to visit Hong Kong under the Government's sponsored visitors programme.

Looking Ahead

9. In the coming year, the Sydney Office will continue to liaise closely with our interlocutors in both the public and private sectors to keep them abreast of developments in Hong Kong and strengthen, where possible, our efforts in cultivating even stronger ties with Australia and New Zealand. Our investment promotional efforts will be targeted at sectors such as telecommunications and multimedia, business and professional services, financial services, information technology, trade-related services, transportation and logistics, tourism and entertainment and regional headquarters.

Report on the Work of the Singapore ETO

The Singapore Office is responsible for promoting Hong Kong's economic and trade relations among the ten member countries of the Association of South East Asian Nations (ASEAN)³. It also serves as a point of liaison with the secretariats of the Asia Pacific Economic Cooperation (APEC) and the Pacific Economic Cooperative Council.

2. Over the past twelve months, the Singapore Office has continued to organize various business and trade related events to showcase Hong Kong's advantages, business-friendly environment, positioning as Asia's World City as well as the gateway to Mainland China. In addition, we also assisted in arranging visits by senior officials to the region, including Secretary for Commerce, Industry and Technology's visit to Bangkok in August 2004, and Financial Secretary's visit to Bangkok and Kuala Lumpur in May 2005. We also nominated and coordinated visits of VIPs from the region to Hong Kong under the government's sponsored visitors programme. After the tsunami disaster, we joined forces with the Hong Kong Support Team in Phuket to provide assistance on the media front.

Commercial Relations

3. The Singapore Office maintains close contact with governments, chambers of commerce, as well as trade and business organizations in the region. We organize and attend regularly economic and trade related seminars, workshops and conferences such as the Organization for Economic Cooperation and Development Global Forum on Trade, Trade-Related Structural Adjustment in November 2004 in Bangkok. We also closely monitor trade and economic developments in the region, such as the network of bilateral free trade agreements.

4. The Singapore Office organizes and participates in various seminars and talks to promote CEPA among our business interlocutors in the region. With the formal establishment of the Pan-Pearl River Delta (PPRD) Region Cooperation Forum, or "9+2" in short, in June 2004, we publicized through seminars and talks the details of this new initiative on economic cooperation between Hong Kong, Macao and the nine provinces in Mainland China. The business communities in the region have shown great interest in these arrangements, in particular on how they can benefit from them when they expand their businesses into the Mainland.

5. The Singapore Office actively promotes Hong Kong's "Capital Investment Entrant Scheme" in the region. Many of our business contacts in particular those in Indonesia have expressed interest in this scheme.

1 ASEAN member countries include Brunei Darussaleem, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Public Relations

6. The Singapore Office organizes exhibitions and other promotional activities to showcase Hong Kong's advantages to our interlocutors in major ASEAN countries. To this end, promotional events covering the Policy Address, Budget Speech, CEPA, "9+2" and investment opportunities in Hong Kong were launched over the past twelve months. These events also provide the us with the opportunity to publicize the Basic Law and the "One Country, Two Systems" principle.

7. To continue to promote Hong Kong as Asia's World City, we launched a Brand Hong Kong Monorail Train in Kuala Lumpur in August 2004. Brand Hong Kong advertisements were also run in publications aiming to reach our target audience of the community in Singapore, Malaysia, Thailand and Indonesia.

8. The Hong Kong Children's Choir visited Singapore in August 2004 to stage a performance for 800 guests. We invited interlocutors and representatives from the local arts community to attend the performance. The audience was impressed by the performance and the talents of Hong Kong children.

9. The Singapore Office also organized business networking events to facilitate matching between local and Hong Kong companies. Both the networking event co-organized between the Singapore Office, the Singapore International Chamber of Commerce and the Hong Kong-Singapore Business Association (HSBA) in November 2004, and the one jointly organized by the Singapore Office, the Hong Kong Trade Development Council (TDC) and HSBA in honour of the visiting Hong Kong General Chamber of Commerce delegation in April 2005 drew a large turn-out comprising key local business leaders and executives.

10. We also organized a luncheon in Kuala Lumpur in May 2005 for the visiting Financial Secretary to meet with prominent leaders in local financial services sector. We actively supported the Tourism Commission in staging the Hong Kong Tourism Roadshow in Bangkok in May 2005. The roadshow, led by the Financial Secretary, showcased the latest tourism attractions in Hong Kong namely, the Hong Kong Disneyland, the Hong Kong Wetland Park and the "Ngong Ping 360" Skyrail. It was well attended by local travel trade as well as senior government officials, diplomats, and business executives in Thailand.

Investment Promotion

11. The investment promotion team continues to spearhead investment promotion activities in the region to promote Hong Kong as a favourable investment destination. Over the past twelve months, the investment promotion team was able to reach out and provide assistance to various companies in the region in setting up businesses in Hong Kong.

Looking Ahead

12. The Singapore Office will celebrate the 10th Anniversary of its establishment in late 2005. We will use the occasion to step up promotion of Hong Kong's economic and trade relations with the ASEAN. With Vietnam as the APEC host in 2006, we will liaise closely with relevant authorities in preparation for Hong Kong's participation in major APEC meetings. We will also foster closer ties with the Hong Kong Inc in the region and collaborate further with TDC to promote Hong Kong as a business hub for accessing the Mainland market. We will also join hands with the Hong Kong Tourism Board to further promote Hong Kong as a premier tourist destination.

Hong Kong Economic and Trade Office, Singapore
June 2005

Report on the Work of the Toronto ETO

The Toronto Office is responsible for promoting Hong Kong's economic and trade interests in Canada.

Commercial Relations

2. To leverage on Canada's growing business interests in Asia in particular the Mainland market, the Toronto Office took proactive actions to promote Hong Kong as Asia's World City and the advantages of using Hong Kong as the gateway for Canadian businesses to explore the Asian market over the past twelve months. Our promotion efforts focused on liaising with opinion leaders in the public and private sectors as well as direct marketing through business seminars, newsletters and exhibitions.
3. On public and private sector liaison, apart from maintaining regular dialogue with our interlocutors through personal calls and meetings, we arranged one-on-one briefings for leading figures in the Canadian political and business sectors on the latest economic developments in Hong Kong. Over the past twelve months, we have had meetings with the federal Minister of International Trade, the federal Minister of Industry, the economic development ministers of four provinces, mayors of several major cities, as well as leaders of major trade organisations.
4. On business promotion, we co-organised business seminars with the Hong Kong Trade Development Council in several major Canadian cities including Toronto, Vancouver, Winnipeg and Halifax. In addition, Director (Toronto) was invited to give speeches / presentations in over 25 seminars / events organised by local government agencies or trade associations. We also supported the Hong Kong - Canada Business Association to organise their first annual Hong Kong business forum in Ottawa on 30 May 2005. This one-day forum attracted over 200 participants from across Canada. Keynote speakers of the forum included Canada's federal Minister of Industry, the Government Chief Information Officer and the Director-General of Investment Promotion from Hong Kong.
5. We organised the visit of the Secretary for Commerce and Industry (SCIT) to Toronto in November 2004. During his visit, SCIT attended the luncheon hosted by the Toronto Board of Trade and the seminar organised by the C D Howe Institute to update the Toronto business community about the latest economic situation in Hong Kong and introduce to them the opportunities for Canadian businesses.
6. We invited the Mayor of Mississauga and the President of the Vancouver Board of Trade to visit Hong Kong. We also provided support for the Canadian Government to organise the trade delegation to Hong Kong which was led by the federal Minister of International Trade in conjunction with Prime Minister Paul Martin's Hong Kong visit in January 2005.

Public Relations

7. CEPA is one of the major themes of our publicity in Canada. We have used every opportunity to stage our CEPA display in different cities during promotional activities initiated by the Toronto Office, including business seminars and Hong Kong promotions like the annual Spring Lantern Festival in Calgary.

8. Other major cultural activities included the Hong Kong Film Festival in Toronto, and “Spotlight on Hong Kong” at the Calgary International Film Festival. Seminars to discuss film and television co-production between Hong Kong and Canada were held. Montreal’s Hong Kong promotion highlighted the premiere of “Kung Fu Hustle” in Canada. The largest-ever Brand Hong Kong kite was featured at the Toronto Kitefest.

9. On media promotion, the Rogers OMNI Television and Toronto Office joined hands in producing a five-episode TV series featuring Hong Kong as a business centre, logistics hub, and tourist spot. The Canadian Business Magazine produced a special supplement on Hong Kong this March, and another Hong Kong special report will be launched this fall. The Globe & Mail will also be doing a Hong Kong supplement later in the year.

10. In March 2005, we held our third annual Career Video Conference in Toronto and Vancouver, inviting Hong Kong business leaders to brief Canadian students about the career opportunities in Hong Kong. This event attracted over 300 students and was broadcast live by RTHK.

Investment Promotion

11. The Investment Promotion Unit has resumed in-house operation since February 2005, after a two-year term of engaging external consultants to provide investment promotion services. So far, 50 prospective investors have been contacted and 34 company visits have been conducted. The Unit has successfully assisted five organisations to set up offices in Hong Kong. In addition to company visits, the Unit also participated in and supported seven major business seminars and conferences.

Looking Ahead

12. In the coming year, the Toronto Office will continue to strengthen our relations with our interlocutors in various sectors. We will monitor closely developments of the possible federal general election in 2005 and its effects on our economic and trade relationship with Canada. On business promotion, we will work closely with Invest Hong Kong and relevant local organizations to prepare for the large-scale joint Hong Kong – Guangdong business promotion scheduled to be held in Vancouver in October 2005. We will also continue to work with local governments and trade associations to promote economic operation between Canada and Hong Kong in trading, ICT (information, communications and technology) and auto parts sectors.