

**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2006-07**

**Director of Bureau : Director, Beijing Office
Session No. : 10**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
BJO001	0277	Hon. LAM Kin-fung, Jeffrey	35	Liaison, Economic and Trade Affairs
BJO002	0779	Hon. WONG Ting-kwong	35	Liaison, Economic and Trade Affairs
BJO003	1418	Hon. LEUNG Kwan-yuen, Andrew	35	Liaison, Economic and Trade Affairs
BJO004	1847	Hon. TAM Heung-man	35	Liaison, Economic and Trade Affairs

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO001

Question Serial No.

0277

Head : 35 Government Secretariat : Subhead (No. & title) :
Beijing Office

Programme : (1) Liaison, Economic and Trade Affairs

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

The Beijing Office will strengthen economic and trade liaison with 15 provinces/regions/municipalities in the Mainland and enhance its functions in investment promotion in those areas. What measures and plans are in hand to facilitate investment by the Hong Kong business sector? Please list the details and the resources involved.

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Beijing Office will strengthen liaison with the provinces/regions/municipalities within its coverage and collect latest information on commerce and trade policies and legislation as well as economic development in these areas. We will keep the relevant departments of the HKSARG informed of such information for dissemination to relevant trade associations so that the Hong Kong businessmen can take full account of the latest policies and economic development in the Mainland when formulating their business strategies.

The Beijing Office will also strengthen communication with the Hong Kong businessmen operating in these provinces/regions/municipalities. Activities will be conducted or co-organized to facilitate communication and exchange between the Hong Kong business sector and the trade and economic authorities in the Mainland. For example, seminars and trade visits will be organized for Hong Kong businessmen to help them build up contacts with the Mainland officials responsible for trade and economic issues, to deepen their understanding of the investment environment and relevant policies and regulations in these areas, and to seek opportunities for co-operation. They can also reflect their views directly to the Mainland authorities regarding problems encountered during their daily trade and investment activities.

To carry out the above tasks, the Beijing Office will employ an additional Commercial Relations Manager to assist the existing officers currently designated to the same tasks, namely the Principal Trade Officer and the Trade Officer. The additional resource required per year amounts to about HK\$200,000.

Signature	<u>Signed on Chinese version</u>
Name in block letters	<u>Patrick T K Nip</u>
Post Title	<u>Acting Director, Beijing Office</u>
Date	<u>10. 3. 2006</u>

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO002

Question Serial No.

0779

Head : 35 Government Secretariat : Subhead (No. & title) :
Beijing Office

Programme : (1) Liaison. Economic and Trade Affairs

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

How many cases of successful initiation and establishment of economic and trade liaisons can be attributed to the Beijing Office in 2005-06? What provinces, cities or autonomous regions are involved in such cases? What kinds of promotion exercises were conducted in these provinces, cities or autonomous regions? What are the expenses required and what economic benefits have been reaped? Which provinces, cities or autonomous regions have been selected for such promotion exercises in 2006-07 and what are their estimated costs?

Asked by : Hon. WONG Ting-kwong

Reply :

The Beijing Office's work on economic and trade liaison mainly includes liaising with the departments in charge of trade and economic issues in the Central People's Government (CPG) and local governments; collecting latest information on commerce and trade policies and legislation as well as economic development for reporting to the relevant departments of the HKSARG; reflecting the problems encountered by Hong Kong businessmen when operating business in the Mainland to the CPG and local governments for their reference when formulating relevant policies; and organizing activities in Mainland provinces to promote Hong Kong with CEPA as the main theme. All these have enhanced understanding and cooperation between Hong Kong and the Mainland, and provided platforms for the two sides to explore business cooperation opportunities.

In the year of 2005-06, apart from liaising with the CPG in Beijing, the Beijing Office also organized large-scale promotional events in Hebei and Hubei in the form of exhibition, theme specific seminars featuring on various professional services, visits, and liaison with local governments and business sectors. We also assisted HKSARG in organizing promotional events on tourism and financial services in Beijing, Guangzhou and Fujian.

The major criteria that we use to assess the effectiveness of an economic and trade promotional event include the number, representativeness and feedback of the participants, media reports, the promotional impact in the relevant region, and whether our business and professional sectors would be prepared to take part in similar activities in future. Past experience shows that the local and Hong Kong participants were generally of the view that such activities were useful in enhancing mutual understanding and establishing connections, and conducive to future economic co-operation. We understand that some enterprises and professionals in Hong Kong have followed up directly with the local governments and business sectors after the events to discuss co-operation projects. The Beijing Office did not have statistics on economic benefits reaped by co-operation projects as a result of the promotional events.

In the year of 2005-06, our expenses (revised estimate) on publicity and promotional events are \$4.3 million.

The budget for the relevant expenses in 2006-07 is \$4.5 million. We are consulting the relevant departments of HKSARG regarding location for promotional events. We will at the same time give full consideration to the development potential of the relevant areas vis-à-vis the interests of Hong Kong business sectors.

Signature	<u>Signed on Chinese version</u>
Name in block letters	<u>Patrick T K Nip</u>
Post Title	<u>Acting Director, Beijing Office</u>
Date	<u>10. 3. 2006</u>

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO003

Question Serial No.

1418

Head : 35 Government Secretariat : Subhead (No. & title) :
Beijing Office

Programme : (1) Liaison, Economic and Trade Affairs

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

How will the Beijing Office use the additional \$2.3 million in the estimated provision for 2006-07 to strengthen its economic and trade liaison with the 15 provinces/regions/municipalities within its geographical coverage? What measures will be taken to enhance its investment promotion function in the above areas in order to help Hong Kong manufacturers invest in the Mainland? Please give details.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

The additional resources will be mainly used to employ 7 non-directorate officers to strengthen the economic and trade liaison between the Beijing Office and the provinces/regions/municipalities within its geographical coverage, and to enhance its function in promoting investment into Hong Kong by Mainland enterprises. The additional staff includes a Trade Officer from Hong Kong, and one Investment Promotion Manager, one Investment Promotion Assistant, one Commercial Relations Manager and three clerical staff to be recruited in the Mainland.

Regarding the promotion of investment into Hong Kong by Mainland enterprises, the Beijing Office will actively promote the global marketplace concept to the state-owned and private enterprises in the Mainland in order to attract them to set up companies in Hong Kong. We will also publicize the edge of Hong Kong as a platform for implementing the 'Going-out' policy, and organize and participate in different investment promotion activities (such as seminars and investment promotion conferences) to encourage Mainland enterprises to invest in Hong Kong.

Regarding the assistance to Hong Kong investors in the Mainland, the Beijing Office will strengthen liaison with the provinces/regions/municipalities within its geographical coverage, and collect latest information on commerce and trade policies and legislation as well as economic development in these areas. We will keep the relevant departments of the HKSARG informed of such information for onward dissemination to relevant trade associations so that Hong Kong businessmen can take full account of the latest policies and economic development in the Mainland when formulating their business strategies. We will also strengthen communication with the Hong Kong businessmen operating in these provinces/regions/municipalities. Activities will be conducted or co-organized for them to facilitate communication and exchange with the trade and economic authorities in the Mainland. For example, seminars and trade visits will be organized for Hong Kong businessmen to help them build up contacts with the Mainland officials responsible for trade and economic issues, to learn more about the investment environment and the relevant policies and regulations in these areas, and to seek opportunities for co-operation. They can also reflect their views directly to the Mainland authorities regarding problems encountered during their daily trade and investment activities.

Signature	<u>Signed on Chinese version</u>
Name in block letters	<u>Patrick T K Nip</u>
Post Title	<u>Acting Director, Beijing Office</u>
Date	<u>10. 3. 2006</u>

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO004

Question Serial No.

1847

Head : 35 Government Secretariat : Subhead (No. & title) :
Beijing Office

Programme : (1) Liaison, Economic and Trade Affairs

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

It is stated under Programme (1) that additional provision is needed for investment promotion activities. Will the Administration provide details of the action plan and expenditure in this regard?

Asked by : Hon. TAM Heung-man

Reply :

In 2006-07, the Beijing Office will assume a new role of promoting investment into Hong Kong by Mainland enterprises. The work plan in this area include actively promoting the global marketplace concept to the state-owned and private enterprises in the Mainland in order to attract them to set up companies in Hong Kong; publicizing the edge of Hong Kong as a platform for implementing the 'Going-out' policy; and organizing and participating in different investment promotion activities (such as seminars and investment promotion conferences) to encourage Mainland enterprises to invest in Hong Kong.

To carry out the above work, the Beijing Office will be equipped with a new Trade Officer from Hong Kong, as well as one Investment Promotion Manager and one Investment Promotion Assistant to be recruited in the Mainland. The additional resources involved are about HK\$1.52 million per year.

Signature _____ Signed on Chinese version

Name in block letters _____ Patrick T K Nip

Post Title _____ Acting Director, Beijing Office

Date _____ 10. 3. 2006