

Information Paper for
LegCo Panel on Commerce and Industry

Reports on the Work of the Overseas
Hong Kong Economic and Trade Offices

This paper informs Members of the work of the ten overseas Economic and Trade Offices (ETO) since our last report in June 2005. The work reports of individual ETOs are set out in the following Appendices -

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Report on the Work of the Geneva ETO

The main function of the Geneva ETO is to represent Hong Kong, China as a member of the World Trade Organisation (WTO). It also represents Hong Kong as a member of 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. The WTO Sixth Ministerial Conference (MC6), held in Hong Kong on 13-18 December 2005, was a major milestone of the Doha Round of multilateral trade negotiations (also known as “Doha Development Agenda” or DDA) in the past year. The second half of 2005 saw intensive negotiations in Geneva in preparation for MC6 with Members working hard throughout the first half of 2006 to deliver what was agreed by Ministers in Hong Kong.

3. MC6 concluded successfully after six days of negotiations, with the adoption of the Hong Kong Ministerial Declaration (HKMD). Agreement was achieved in several areas of negotiations including the elimination of all forms of export subsidies in agriculture by 2013 and the adoption of a “Swiss Formula” for tariff reduction for industrial goods and a “non-linear mark-up approach” for the treatment of unbound tariffs. A development package was also agreed in Hong Kong whereby all developed economy Members and developing economy Members declaring themselves in a position to do so would, from 2008, grant tariff free/quota free market access for at least 97% of products originating from all least-developed economy Members; specifically on cotton, other than duty free/quota free market access, all forms of subsidies will be eliminated by developed economy Members in 2006 and trade-distorting subsidies should also be reduced more ambitiously, and within a shorter period of time, under the general reduction formula; least-developed economy Members would be granted a longer transition period to take on obligations in respect of trade-related aspects of intellectual property and trade-related investment measures; and the temporary waiver under the Trade-related Intellectual Property Rights Agreement that facilitates access by developing economy Members to essential medicines was made permanent.

4. The HKMD also set out a timetable for the next and final phase of the DDA negotiations including the establishment of modalities in agriculture and non-agricultural market access (NAMA) by end April 2006, with the submission of comprehensive draft reduction commitments based on the modalities by end July 2006. Ministers also agreed on the manner in which plurilateral request-and-offer negotiations in services should proceed in 2006, which would pave the way for a second round of revised offers by end July 2006 and the submission of final schedules of commitments by end October 2006. Text-based negotiations on rules, covering those governing anti-dumping, subsidies (including fisheries subsidies) and regional trade agreements, as well as new ones on trade facilitation, should commence as soon as possible.

¹ The ITCB is an international governmental organisation formed by 24 exporting developing economy Members of textiles and clothing products and based in Geneva.

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

5. While the end April 2006 deadline has been missed, Members remain committed to the conclusion of the DDA negotiations by end 2006 and both technical discussion and political engagement have intensified.

6. The Geneva ETO has participated actively in the DDA negotiations. We continue to work towards an ambitious and balanced overall package that will result in real new commercial opportunities. On NAMA, we maintain support for a simple tariff reduction formula that will effectively address tariff peaks and high tariffs, supplemented by the elimination of tariffs in certain sectors, particularly those of export interest to developing economy Members. On services, we have participated actively in the plurilateral negotiations and in the negotiations on services rules, particularly those concerning domestic regulations. On the anti-dumping negotiation, Hong Kong, China has put forward further proposals to tighten and improve the disciplines 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 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.

7. The Geneva ETO 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 the latter is still on going.

8. The Geneva ETO has worked closely with other ITCB developing economy Members that export textiles and clothing products 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.

9. The Geneva ETO has participated actively in the ACWL and the Trade Committee of the OECD over the past 12 months. We also provided support to the Secretary for Commerce, Industry and Technology for his participation in the OECD Ministerial Meeting in May 2006.

Looking Ahead

10. The months ahead will be critical to the conclusion of the DDA negotiations by end 2006. Tough negotiations and major political decisions are expected in the coming months in order for a deal to be struck. The Geneva ETO will continue to participate actively in the negotiations to defend the commercial interests of Hong Kong.

Report on the Work of Washington ETO

The main functions of the Washington ETO 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 ETO 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. At the same time, it 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 ETO 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. Almost half-way into his second term, President Bush's approval rating in recent poll results was at just above 30%, with few signs of a turnaround in the short run, amid questions about the Iraq war, Hurricane Katrina recovery, rising oil prices, the Dubai ports controversy and ethics issues related to high-ranking officials and politicians.

4. There have also been quite a number of changes in President Bush's cabinet, including the appointment of Henry Paulson as the Treasury Secretary and Susan Schwab as the US Trade Representative. The former appointment is generally welcomed by the financial community. As regards the latter appointment, the US trading community and the political circle hoped that the US Trade Representative would keep up the momentum in the Doha Round of negotiations.

5. The mid-term elections scheduled for November this year is creating greater uncertainty to the political dynamics in Washington, DC. Facing Democrat's campaigns for regaining control of at least one of the chambers of Congress, Congressional Republicans may need to adjust their stance on important issues taking into account the poll results. Moreover, a new Majority Leader of the Republican Party was elected in February following the departure of House Republican Leader, Tom Delay, as a result of his corruption-related indictment.

Commercial Relations

6. The Washington ETO 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

7. Over the past year, US foreign and domestic policies continued to be dominated by anti-terrorism and related concerns over homeland security. The Washington ETO organised events and met with key interlocutors in the US Administration, Congress and think-tanks to showcase Hong Kong's contribution to regional and global security while facilitating legitimate trade. The US recognised Hong Kong's effective law enforcement and security infrastructure, cooperation under

the Container Security Initiative (CSI), and leadership role in combating money-laundering. The US Department of State's *Country Reports on Terrorism 2005* released in April 2006 noted that Hong Kong's implementation of CSI was "transparent and cooperative" and "received praise from a congressional staff delegation, which described it as a model for CSI implementation". It also noted that "Hong Kong actively participated in various anti-money laundering and counter-terrorist financing initiatives". Furthermore, the US Department of State's *US-Hong Kong Policy Act Report 2006* recognised Hong Kong's strategic trade control regime as "effective, highly autonomous and transparent" and regarded it as a model for other economies.

Promoting Free Trade

8. The Washington ETO continued to monitor and report significant developments in the US that might potentially affect trade between the US and its key trading partners including Hong Kong. These issues included petitions against China's currency exchange policy, major anti-dumping and textile safeguard cases against China, negotiations on free trade agreements between the US and others, as well as major trade disputes of the US. On the multilateral front, with Hong Kong playing host to the Sixth Ministerial Conference of the World Trade Organization (WTO), the Washington ETO closely monitored the stance of different stakeholders in the US and liaised with the US Administration and business community to ensure that the Ministerial Conference would be successful both in terms of substance and logistics. Efforts were also made to highlight Hong Kong's strong intellectual property protection regime, and the comparative advantages of Hong Kong for US businesses, particularly those interested in access to the Mainland market under the Mainland-Hong Kong Closer Economic Partnership Arrangement (CEPA).

Exchanges on Developments in Hong Kong

9. The Washington ETO regularly briefed its interlocutors about the political situation in Hong Kong, especially the high degree of autonomy and freedoms enjoyed by Hong Kong under the "One Country, Two Systems" arrangement as well as developments on the economic front. The Chief Executive set out his vision for Hong Kong, particularly the commitment in moving forward on the constitutional front, at his meetings with Vice President Richard Cheney and Secretary of State Condoleezza Rice, leaders of US Congress and relevant congressional committees, members of major think-tanks, business groups and the media during his visit to Washington, DC in October 2005. The Financial Secretary met with Chairman Alan Greenspan of the Federal Reserve Board, Deputy Secretary of State Robert Zoellick and Assistant to the President for Economic Policy Allan Hubbard, financial and business leaders and the media during his visit to Washington, DC in September 2005. At the meetings, he updated them on the economic outlook in Hong Kong and the region, the opportunity for US businesses under CEPA and the role Hong Kong played in the further liberalisation of the Mainland's economy.

10. The Commissioner, USA (C,USA), and the Director-General of the Washington ETO (DGW) engaged key interlocutors on a regular basis. Working with the Director of the New York ETO and the Director of the San Francisco ETO, 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 US universities, Hong Kong students studying at local universities and Washington-based organisations,

such as the National Defense University, Congressional Legislative Staffers Association and Washington Network Group to promote a better understanding of how Hong Kong was faring under “One Country, Two Systems”.

11. The Washington ETO regularly issued to key contacts its electronic newsletter, the *Hong Kong Circle*, to report on latest happenings in Hong Kong.

Public Relations

12. To raise the profile of Hong Kong in Washington, the Washington ETO organised several major promotional events last year to present the cultural face of Hong Kong. A reception to commemorate the 10th anniversary of the “Made in Hong Kong” Film Festival was held in July 2005. This is an annual public event co-sponsored by the Smithsonian Institution’s renowned Freer Gallery of Art to feature productions of Hong Kong’s film industry. The Washington ETO also organised a public panel discussion featuring three film experts from Hong Kong and US on Hong Kong’s cinema and the evolution of the Hong Kong movie industry.

13. In October 2005, the Washington ETO co-sponsored a media luncheon with the Kennedy Center featuring Hong Kong and other Asian designers entitled “New China Chic”. Works by fashion designers Vivienne Tam, Barney Cheng, Jeffrey Chow, Amy Chan, Shanghai Tang and Blanc De Chine and jewellery designer, Lo Kai-yin were on display. The event was well attended and Hong Kong designers were featured in US fashion and style magazines and on radio shows.

14. The “New China Chic” exhibition formed part of the month-long China Festival organised by the Kennedy Center. The Festival included performances by the Hong Kong Chinese Orchestra and the City Contemporary Dance Company. The Washington ETO helped facilitate media exposure for the two performing troupes.

15. In February 2006, the Washington ETO hosted its annual Spring Reception to celebrate the Chinese New Year. Over the years, the Spring Reception has become a key event on Washington’s social calendar. The 2006 Spring Reception was attended by some 900 guests.

16. The above events were attended by senior US officials, Congressional representatives, leaders of major think-tanks and business associations, as well as members of the academia, media, diplomatic circle and the local Chinese community.

Looking Ahead

17. The US political leadership faces challenges in the imminent mid-term elections and growing uncertainty about the economic future. Despite strong economic performance and low unemployment, the public remain concerned about soaring trade and federal budget deficits and layoffs in the manufacturing sector. As structural adjustment in the US economy continues, American manufacturing workers are less confident about competition with foreign workers. These concerns generate strong protectionist pressure on the President and Members of the Congress in terms of trade and economic policies.

18. Many Members of Congress and their constituents believe that US' trading partners, especially the Mainland, are gaining unfair advantages against the US by not playing by the rules. The most obvious disputes between the US and China are over intellectual property protection enforcement and renminbi exchange rate. Legislation has been introduced and hearings held to press the Mainland for improvement in these areas. So far, none of the legislation has made it out of both chambers of Congress. The US Administration will be under considerable pressure to try to manage the important bilateral relations.

19. Overall, Hong Kong's political, economic and trade relations with the US remain positive. Hong Kong's hosting of the WTO Ministerial Conference in December 2005 was generally perceived as successful and well organised, and the US Administration and business community continue to recognise Hong Kong's achievements in intellectual property rights protection. But as rhetoric builds up in the run-up to the 2008 presidential election, the Washington ETO will need to be extra vigilant over the risk of any negative overspills onto Hong Kong.

Hong Kong Economic and Trade Office, Washington
June 2006

Report on the Work of the New York ETO

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

Commercial Relations

2. The New York ETO continued to reach out to investors and the business sector to promote Hong Kong. On top of out-of-New York City visits and speaking engagements, the New York ETO has also organised a wide array of business events about Hong Kong in collaboration with think tanks, and professional/business bodies. Particular emphasis was laid on the strengths of Hong Kong as a centre for financial and professional services, and our unique position as a gateway to the Mainland. We also highlighted the opportunities brought about for overseas investors by the Closer Economic Partnership Arrangement (CEPA) between the Mainland and Hong Kong, and the Pan-Pearl River Delta Co-operation and Development Forum.

3. To enable our interlocutors to obtain first-hand information and experience about Hong Kong, we have been encouraging and assisting overseas visitors to Hong Kong. From June 2005 to May 2006, the New York ETO provided assistance to 19 official/business or trade delegations comprising congressmen, state governor, commerce or trade officials, businessmen, staff and students of tertiary institutions to Hong Kong. The New York ETO also assisted or helped arrange visit programmes/meetings for 20 sponsored visitors from think-tanks and government, journalists and other contacts to Hong Kong.

4. Visits by senior officials of the HKSAR Government further strengthened the liaison with major contacts and enhanced their understanding of the latest situation in Hong Kong. The Financial Secretary visited New York in September 2005 and met with prominent financial and business leaders, the Federal Reserve Bank of New York and Moody's, updating them on our economic performance, fiscal conditions and monetary policies. During the Chief Executive's stay in New York in October 2005, he met with the top echelon of major private and public financial institutions at a breakfast meeting hosted by the Federal Reserve Bank of New York and at a luncheon, when he delivered a keynote speech to over 330 guests from political, business, financial, academic and media circles.

5. The Permanent Secretary for Economic Development and Labour (Economic Development) (PSED) led a Hong Kong Logistics Development Council (HKLDC) delegation to Chicago and Atlanta from 19 to 23 January 2006. Seminars and luncheons were organised by the New York ETO with the Hong Kong Trade Development Council in Chicago and the Hong Kong Association in Atlanta. HKLDC members and other local speakers addressed at the seminars while PSED made a keynote speech at the luncheons. Over 170 participants, ranging from senior executives of logistics and trading companies, public agencies, trade associations to academics of logistics institutions, participated in the Chicago events. The Atlanta events were attended by 140 participants from similar disciplines. On top of these, the delegation attended a breakfast meeting hosted by the Chicago Council on Foreign Relations with local government departments, public agencies and senior corporate executives.

Public Relations

6. The New York ETO continued with its efforts to raise the profile of Hong Kong through various means. During his visit in October 2005, the Chief Executive met with editorial board members of New York Times and Wall Street Journal, two influential newspapers on the east coast, to exchange views on issues of mutual concern. PSED and HKLDC members also met with the media and promoted Hong Kong as a premier inter-modal logistics hub. A media briefing was arranged for the delegation led by the Permanent Secretary for Home Affairs who attended the United Nations hearing of the HKSAR's second report in light of the International Covenant on Civil and Political Rights in March 2006. As Hong Kong will be the host city of the 20th International Congress of the International Society of the Performing Arts (ISPA) in June 2006, the New York ETO, in conjunction with the Leisure and Cultural Services Department, organized a reception in January 2006 to promote the event to ISPA members. Hong Kong-born Lee Ka-ling, a winner of Pro Musicis International Award and a top prize in the Frederick Chopin International Piano Competition in Warsaw, was the performing guest of the evening.

7. The New York ETO also brought Hong Kong's art and cultural scenes to New York City. In October 2005, the Hong Kong Chinese Orchestra staged a highly acclaimed performance to a packed audience at the 2 700-seat Avery Fisher Hall, Lincoln Centre. This was followed by three performances of the City Contemporary Dance Company at The Kaye Playhouse which received standing ovations from an enthusiastic audience. Positive reviews were carried in the mainstream media. In May 2006, the New York ETO presented the Hong Kong Repertory Theatre to the New York audience with two charity performances of "Love in a Fallen City". To take advantage of the presence of actor Leung Ka-fai, who was the lead cast of the Hong Kong Repertory Theatre, we staged a tribute event in New York with the screening of his award-winning film, "Everlasting Regret".

8. The New York ETO continued with its sponsorship of dragon boat events in Atlanta, Boston, Miami and New York, as well as film series in Atlanta, Chicago and New York. Three high school winners of the nation-wide essay contest organised by "In the Classroom", a non-profit organization, and sponsored by the New York ETO, visited Hong Kong in August 2005 to experience first-hand Hong Kong's accomplishment as the world's freest economy. An electronic newsletter of the ETO was launched in September 2005 to provide timely information about Hong Kong to more than 3 000 contacts of the Office.

Investment Promotion

9. Against a background of continuing strong economic growth in the Mainland, and Hong Kong's advantages as a potential gateway to the Mainland's rapidly expanding market, the Investment Promotion Unit carried out a high level of activity in the promotion of US corporate investment. The promotional programme is built around defined business sectors and with the emphasis on individual company visits. These are targeted on information technology, telecommunication, media and multimedia, technology, tourism and entertainment, business and professional services, financial services, consumer retail and sourcing, transportation and corporation services.

10. During the reporting period, the Investment Promotion Unit met with 314 companies, and assisted 20 companies in establishing business operations in Hong Kong. With the involvement of senior officials from Invest Hong Kong, a number of promotional events were organised in leading business centres, including Boston and Chicago.

11. Strong corporate profits coupled with consistent economic growth and overall confidence in the US economy means that interest in offshore investment continues to be evident. The Mainland is the main recipient of US global direct investment, and Hong Kong is well positioned to secure a substantial share of the investment flow through an on-going programme of promotional work. In this context, CEPA is demonstrably effective as an incentive for companies to evaluate Hong Kong as a potential location for new business operations in the region.

Looking Ahead

12. The New York ETO will continue to publicise our strengths in facilitating business and being the ideal location for regional headquarters/ offices, and Hong Kong's position as the preferred financial, logistics, business, conference and exhibition centre in Asia. The New York ETO is planning to host a series of events to commemorate the 10th Anniversary of the Establishment of the HKSAR. We will continue to showcase Hong Kong's vibrant cultural circles through different initiatives.

Hong Kong Economic and Trade Office, New York
June 2006

Report on the Work of the San Francisco ETO

The San Francisco ETO 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. During the reporting period, the San Francisco ETO continued to reach out to the business community, political and government leaders, academic institutions, think tanks and the media in US west to promote Hong Kong's position as the financial centre and logistics hub of the Asia-Pacific region, as well as a unique business gateway to the China market, focusing on the new business and investment opportunities brought about by the Mainland and Hong Kong Closer Economic Partnership Arrangement, and the Pan-Pearl River Delta Co-operation and Development Forum.

3. The key business promotion event in 2005 was "Hong Kong – Guangdong Business Conference USA" held in San Francisco in October. The Conference was a joint initiative by the governments of HKSAR and Guangdong Province to promote the investment opportunities in Hong Kong and Guangdong. The Financial Secretary and the Governor of Guangdong Province addressed the Conference which attracted some 1 200 participants from the business community in Northern California. Apart from the Business Conference, the San Francisco ETO also arranged a full itinerary for the Financial Secretary to meet with the government officials, prominent businessmen and media in the Bay Area and update them on the latest developments in Hong Kong.

4. In January 2006, we organised a visit programme for the Permanent Secretary for Economic Development and Labour (Economic Development) (PSED) and a delegation from the Hong Kong Logistics Development Council, covering Los Angeles of California and Dallas of Texas. As the objective of the visit was to promote Hong Kong as the logistics hub of Asia, the San Francisco ETO arranged a series of speaking events for PSED and the delegation to disseminate the message. Visits to the Port of Los Angeles and Dallas/Forth Worth Airport, and meetings with key players in the logistics sector and concerned authorities were also arranged to explore cooperation opportunities.

5. Apart from senior officials' visits, the San Francisco ETO also organised visit programmes for prominent visitors from Hong Kong's business sector, including Mr Philip Chen, CE of Cathay Pacific Airways; Dr Robert Yang, CEO of Applied Science and Technology Institute; Mr Jack Maisano, President of American Chamber of Commerce; and Mr Carlos Genardini, CEO of the Hong Kong Science and Technology Parks. These visits were particularly useful in updating the US community on the latest business environment in Hong Kong and the new developments in specific economic sectors.

6. In addition, the San Francisco ETO assisted in lining up meetings and visit programmes for government and business delegations from US west who travelled to Hong Kong. US delegations visiting Hong Kong in 2005 included the following: the delegations led by Arnold Schwarzenegger, Governor of California State in November, and by Gavin Newsom, Mayor of San Francisco City in December; two delegations from members of the California Legislature in October and November, and a trade mission led by the Trade Development Alliance of Greater Seattle in November.

7. In the other direction, the San Francisco ETO cooperated with the US Department of Commerce in arranging a delegation of executives from the Hong Kong film industry to visit San Francisco and Los Angeles in October 2005 to look for business opportunities.

Public Relations

8. The San Francisco ETO continues to maintain close relations with the media to monitor their sentiments and concerns over issues related to Hong Kong. The San Francisco ETO also disseminates 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.

9. The San Francisco ETO also promotes Hong Kong through cultural and academic exchanges. On the cultural front, we cooperated with the San Francisco Film Society and the Seattle Film Society on the screening of Hong Kong films during the San Francisco International Film Festival and the Seattle International Film Festival. These are good opportunities to promote not only Hong Kong films, but also Hong Kong’s position as a film production and distribution center. Two renowned Hong Kong film directors, Peter Chan and Daniel Yu, and movie star Andy Lau joined the San Francisco Film Festival. They shared their insights on the future development of Hong Kong film industry with the US audience. On the academic side, the San Francisco ETO arranged a speaking event for Dr James Tang, Dean of the Social Sciences Faculty of the University of Hong Kong during his visit to San Francisco in April, 2006, at which Dr Tang made a speech on Chinese foreign policy and international relations. With regard to the promotion of the Basic Law, Ms Elsie Leung, Deputy Director of the Basic Law Committee of the HKSAR of the Standing Committee of the National People’s Congress visited San Francisco in May 2006, and the San Francisco ETO took the opportunity to arrange speaking functions for her to elaborate on the successful implementation of “One Country, Two Systems” in Hong Kong, and the Basic Law.

10. As part of the PR initiatives, the San Francisco ETO published a newspaper supplement featuring Hong Kong in the *Arizona Republic*, the major newspaper in the Arizona State. Three more supplements will be published within 2006. The supplements serve to introduce Hong Kong, including our political and legal systems, the economy and the latest developments to the readers in US west.

Investment Promotion

11. The Investment Promotion Unit in the 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. During the report period, the unit visited 225 companies in various states and arranged for the executives of 42 companies to visit Hong Kong. The Unit also cooperated with Invest Hong Kong in organising investment promotion events in targeted markets including Los Angeles and San Francisco of California, Boise of Idaho, and Honolulu of Hawaii.

Looking Ahead

12. For the coming year, the San Francisco ETO will continue the efforts in promoting Hong Kong and attracting investments to Hong Kong. In particular, the San Francisco ETO is planning to organise a large-scale business conference in the Silicon Valley, to be held in autumn 2006, to promote the hi-tech development in Hong Kong. The San Francisco ETO will continue to work closely with parties concerned in making the event a success.

Hong Kong Economic and Trade Office, San Francisco
June 2006

Report on the Work of the Brussels ETO

The Brussels ETO is responsible for representing Hong Kong's economic and trade interests in the European Union (EU), European Commission (EC) and European Parliament (EP); and enhancing 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. In respect of commercial relations, the Brussels ETO on bilateral commercial relations with the EC and the 14 Member States and monitors their positions on multilateral trade negotiations. The Brussels ETO also monitors new legislation and administrative rules originating in the EU which may have an impact on the commercial interests of Hong Kong and Hong Kong companies.

3. In the run up to the Sixth Ministerial Conference of the World Trade Organisation held in December 2005, the Brussels ETO maintained close contacts with senior trade officials in the EC and Member States to monitor the evolving EU position on various trade issues. This was carried out through meetings with relevant officials and visits to capitals of Member States. The Brussels ETO was also closely involved in arranging for the Secretary for Commerce, Industry and Technology's participation in the G90 Trade Ministerial Meeting, held in Brussels on 30 November 2005.

4. On the bilateral front, the EC initiated two anti-dumping (AD) cases against Hong Kong on 6 August 2005 in respect of "recordable digital versatile disc" (DVD+/-R) and "recordable compact disc" (CD-R). The Brussels ETO has been working closely with the Trade and Industry Department (TID) to defend Hong Kong's trade interest. Steps taken include meetings with EC officials, sending representations to the EC and lobbying Member State officials on these cases.

5. Following the abolition of global textile quotas in January 2005, the EC launched safeguard investigations into 9 categories of textile products from China in April 2005. Hong Kong textile companies were indirectly affected as many of them had investments in the Mainland. The Brussels ETO monitored developments in the EU closely and reported them to Hong Kong. This included filing of complaints from the EU industry demanding quota restriction on China, the conclusion of an agreement between the EC and China, subsequent shipment of goods exceeding the quota limits and the eventual release of the held up goods as a result of over-shipments.

6. In February 2006, the EC contacted the Brussels ETO regarding whether Hong Kong Outward Processing Arrangement (OPA) for textiles products was in line with the EU origin rules. TID has subsequently conducted a careful review of the OPA and took steps to re-align Hong Kong's OPA rules with the EU's origin rules. The Brussels ETO subsequently informed the EC accordingly.

7. In March 2006, the EC sought information on and clarification of Hong Kong's export licensing system, including our export notification, and whether they are compatible with WTO rules. In May, the EC raised a query on the upsurge of Hong Kong's textile exports to the EU in the second half of 2005. The Brussels ETO has been working closely with TID to respond to the EC on these issues.

8. Apart from textiles, the EC also informed the Brussels ETO about the presence of colouring substances that are not permitted in the EU in food products exported from Hong Kong. The Brussels ETO has taken up the matter with the Food and Environmental Hygiene Department (FEHD) and TID to impress upon relevant food exporters the importance of complying with the EU food regulations.

9. The Brussels ETO monitors closely all new legislation in the EU, particularly those pieces of legislation that may have an impact on Hong Kong's exports and manufacturing. Among these are the EU proposals for regulations concerning the "Registration, Evaluation, Authorization and Restriction of Chemicals" ("REACH"), as well as proposals on origin marking of all goods imported into the EU.

Public Relations

10. Over the past twelve months, the Brussels ETO has regularly updated the interlocutors throughout Europe in political, business and media fields on the latest developments in Hong Kong.

11. On the PR front, music students from the Hong Kong Academy for Performing Arts staged performance in Brussels, The Hague, Vienna and Frankfurt during the Brussels ETO's Chinese New Year receptions in 2006. The Brussels ETO organised three photo exhibitions (respectively in Brussels, Berlin and Helsinki) with photographic collage depicting the uniqueness and fascination of Hong Kong. The annual Hong Kong Film Panorama is now in its third year. Fifteen recently produced films as well as classics are taking part in a road show in more than 10 European major cities. So far this year, the films have been shown in Hamburg, Antwerp and Amsterdam.

12. On bilateral exchanges, the Brussels ETO will continue to promote bilateral judicial cooperation with Member States. The Brussels ETO will also encourage and facilitate visits to Hong Kong by European Heads of State / Government and Cabinet Ministers as a means to enhance our bilateral relationships. This year, the Brussels ETO is piloting a secondment programme involving a Senior Administrative Officer from the Government to work in the External Relations Directorate-General in the EC for a period of six months from mid-May 2006. The Brussels ETO hopes to arrange a reciprocal placement for an EC staff member in due course and see further opportunities to continue this staff exchange programme with the Commission in future.

13. The Brussels ETO arranged visits to Europe for a number of senior officials to promote our commercial interests and to facilitate further cooperation with the EU. The Secretary for Economic Development and Labour led a delegation from the Hong Kong Logistics Development Council to Milan, Marseilles and Barcelona (September 2005) and met with government representatives and people from the business sector. A delegation from the Advisory Council for the Environment visited the Netherlands and Germany in March 2006 to share the experience of the relevant ministries and operators in developing waste recycling/treatment facilities. The Secretary for Health, Welfare and Food visited Paris in April 2006, and signed a memorandum of understanding with the French Ministry of Health and the Community on cooperation in public health. These visits have laid a solid foundation for further collaborations between Hong Kong and Europe in the future.

Investment Promotion

14. The Investment Promotion Unit in the Brussels ETO supervised the successful organisation of joint investment promotion events with Shenzhen in Milan in May 2005, and with Fujian Province in Duesseldorf in November 2005. They produced some good leads from companies which were interested in setting up businesses in Hong Kong.

15. Through our many marketing initiatives and constant contacts with firms throughout Europe, the Unit has observed that there is growing interest from European firms to establish themselves in Hong Kong. The purpose is to facilitate their business in the Far East generally and China in particular. At the end of April 2006, the Unit, together with our consultants, has secured 28 completed projects, against an overall target of 40 for the entire year of 2006.

16. The Avoidance of Double Taxation Agreement signed between Hong Kong and Belgium has had a major effect on the number of European firms interested in setting up in Hong Kong, as shown by the responses to the seminars co-organised by the Brussels ETO in Brussels this year. The fact that several Dutch and Italian groups are studying the establishment of a Belgian subsidiary from which to manage their Hong Kong interests further highlights the potential. The unit also participated in seminars devoted to this topic in Italy, organised by MeesPierson HK of the Fortis Bank Group in May.

Reorganisation of ETOs in Europe

17. In view of the plan to transform the Brussels ETO into the 'head' ETO for Europe, and the consequential re-structuring of the ETO in London and establishment of a new ETO in Berlin to serve the eastern part of Europe, the Brussels ETO has been working on reorganisation of duties amongst the three ETOs. The Brussels ETO has been coordinating with the London ETO over the past few months to ensure a smooth handover of work after the reorganisation. The Brussels ETO is also carrying out preparatory work towards the setting up of the new ETO in Berlin.

Hong Kong Economic and Trade Office, Brussels
June 2006

Report on the Work of the London ETO

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

Commercial Relations

2. The highlight of 2005 was the Chief Executive's visit to the UK. During his three-day visit from 2 to 4 November, the Chief Executive met the UK Minister of Trade and the Governor of the Bank of England. He delivered a keynote address at the Hong Kong Trade Development Council (HKTDC) Annual Dinner to over 300 businessmen and had roundtable meetings with the financial services sector, legal professionals and the Hong Kong Association.

3. In October 2005, together with the Commissioner for Innovation and Technology (CIT), the Director-General, Hong Kong Economic and Trade Affairs, London (DGL) took part in a "Take the China Challenge" conference in Edinburgh organised by the Scottish Development International. In November 2005, DGL addressed a business roundtable in Edinburgh on Hong Kong's strategy of connecting in China and engaging the globe.

4. Outside of the UK, the London ETO co-organised with HKTDC in staging business seminars in Warsaw, Budapest, Oslo, Moscow, St Petersburg, Zurich and Prague. The economic recovery of Hong Kong, our strategies to leverage on the growth of the Mainland and engage the world, and our strength as an international financial centre were the main subjects covered. DGL also delivered a keynote address in Zurich at the General Assembly of the Swiss-Hong Kong Business Association in September 2005.

5. In the run-up to the WTO Hong Kong Ministerial Conference, the London ETO stepped up contacts with the UK Department of Trade and Industry and called on the respective departments of the ministry of foreign affairs and the ministry of the economy in nine European countries, to update them on Hong Kong's preparations for the Conference.

Public Relations

6. The Chief Executive's visit in November 2005 was a success and raised Hong Kong's profile. He met UK Prime Minister Tony Blair, the Secretary of State for Constitutional Affairs and Lord Chancellor to update them on the successful implementation of "One Country, Two Systems", amongst other subjects. He delivered a keynote address at a conference on Hong Kong organised by Wilton Park (a think tank and research institute) and addressed the audiences at a joint concert of the Hong Kong Academy for Performing Arts and the Guildhall School of Music and Drama organised by the London ETO. The Chief Executive also officiated at a ceremony to launch the promotion of "Discover Hong Kong 2006" in the UK and unveiled London ETO's inaugural entry in the Lord Mayor's Show parade. About 500 000 people lined streets in the City of London on 12 November to watch the show, which was broadcast nationally in Britain and also to the BBC's 300 million global audience.

7. The London ETO hosted Chinese New Year receptions in 10 European cities from February to early March 2006 to celebrate the Year of the Dog. These receptions, some of them featuring cultural performances, provided an excellent opportunity to renew ties with business and government officials and to update a wide audience on the latest developments in Hong Kong.

8. The Sponsored Visitors' Programme provides a valuable opportunity for influential opinion-formers in countries covered by the London ETO to see Hong Kong first hand. During the reporting period, 13 sponsored visitors visited Hong Kong under the programme. Furthermore, five journalists from the UK, Poland and Switzerland also visited Hong Kong on a separate sponsored visit programme for journalists. Their post-visit accounts were mostly positive, and some also underlined Hong Kong's role as a gateway to the Mainland.

9. The London ETO organised functions for visiting officials to meet with their counterparts in the UK and helped put together the programme for many visiting delegations from Hong Kong, including the Legislative Council (LegCo) Panel on Health Services, the LegCo Subcommittee to Study the Subject of Combating Poverty, and the LegCo Panel on Information Technology and Broadcasting. Five principal officials of the HKSAR Government visited countries covered by the London ETO during the reporting period. These included the Secretary for Education and Manpower (to the UK and Switzerland in July 2005 and April 2006 respectively), the Director of Immigration (to the UK in August 2005), the Secretary for Health, Welfare and Food (to Switzerland and the UK in April 2006), the Secretary for Environment, Transport and Works (to Switzerland in May 2006), and the Secretary for Commerce, Industry and Technology (to the UK in May 2006). The Chief Justice visited the UK in September 2005 to attend the Commonwealth Law Conference.

10. The UK Secretary of State for Foreign and Commonwealth Affairs submits to the Parliament six-monthly reports on Hong Kong concerning the implementation of the Joint Declaration and other subjects. The London ETO liaises with the Foreign and Commonwealth Office on the submission of such reports and monitors Parliamentary reaction. The London ETO also meets with individual members of the House of Commons and the House of Lords from time to time to keep them abreast of developments in Hong Kong.

11. The London ETO maintains close liaison with the Hong Kong students in the UK. They were invited to meet with senior officials during the latter's visits to enhance the students' understanding of Hong Kong. DGL also addressed the students on five occasions on the latest developments in Hong Kong and opportunities in the Hong Kong Civil Service.

12. The London ETO produces a Newsletter '*Hong Kong Review*' to keep our contacts updated on Hong Kong's development. During the reporting period, a total of five issues were published. More than 4 000 copies of each issue were distributed to interlocutors in the 17 countries under London ETO's purview. These newsletters were supplemented by e-mail alerts on important news about Hong Kong.

Investment Promotion

13. There was a significant increase in company interest in setting up operations in Hong Kong. The Investment Promotion Unit (IPU) successfully assisted 23 companies from the UK to set up new operations in Hong Kong in 2005, an increase of 8%. It organised two investment promotion trips for Director-General of Investment Promotion (DGIP) to Russia in November 2005 and to Hungary and Iceland in April 2006. In March 2006, DGIP delivered a keynote speech at a seminar in Newcastle on China.

14. The IPU also organised two visit programmes for CIT during the reporting period. CIT visited Birmingham, Oxford, Edinburgh, and Dundee in October 2005 to introduce the Innovation and Technology Commission's new programme of incentives for companies to use Hong Kong as a platform for technology commercialisation. In April 2006, the IPU co-organised another three-day visit programme with HKTDC for a delegation led by CIT and co-led by Mr Victor Lo, the Chairman of the Hong Kong Science and Technology Parks with the objective of attracting design, technology and R&D companies/organisations to set up in Hong Kong.

15. In November 2005, the IPU participated in the Hong Kong - Shenzhen business seminar jointly organised by InvestHK and the HKTDC and two Hong Kong seminars organised by the HKTDC in Manchester and Leeds.

Looking Ahead

16. The high level of interest in Hong Kong shown by commercial, business and all other interlocutors plus media contacts was encouraging. Several seminar sessions were over-subscribed. With the establishment of a new ETO in Berlin, the London ETO will be responsible for and focus on nine countries namely the UK, Russia, three Baltic States (Estonia, Latvia and Lithuania) and the four Nordic countries (Denmark, Finland, Norway and Sweden). The London ETO aims at establishing new business and commercial relationship on the one hand and strengthening existing ties on the other. The London ETO will continue to reach out to new contacts, maintain close contacts with interlocutors, attract more direct investment and promote Hong Kong in countries under our purview. The London ETO will also look for new opportunities to further promote cultural and educational exchanges between Hong Kong and these countries and to organise or participate in high profile promotional or PR events.

Hong Kong Economic and Trade Office, London
June 2006

Report on the Work of the Tokyo ETO

The Tokyo ETO is responsible for promoting Hong Kong's economic and trade interests in Japan and the Republic of Korea.

Commercial Relations

2. The Tokyo ETO continued to foster Hong Kong's commercial relations with Japan and the Republic of Korea through actively engaging politicians, government officials, business leaders, academics and other opinion formers in the two countries. In addition to maintaining and expanding our network in Tokyo, the Principal Hong Kong Economic and Trade Representative, Tokyo (PRT) conducted 16 duty visits during the reporting period to various regional cities in Japan as well as in the Republic of Korea to promote closer ties between Hong Kong and the two countries.

3. As Hong Kong was the host for the WTO 6th Ministerial Conference (MC 6) in December 2005, the Tokyo ETO stepped up liaison with the relevant ministries of both Japan and the Republic of Korea to facilitate their participation as well as to report on relevant developments in the two countries. The Tokyo ETO also highlighted Hong Kong's separate membership of the WTO, our staunch support for the multi-lateral trading regime, and our commitment to promoting progress at the talks during our regular liaison activities. Hong Kong's success in hosting the MC6 smoothly and efficiently was highly commended by our interlocutors in both countries.

4. To enhance understanding of Hong Kong, the Tokyo ETO invited the three major political parties in Japan to nominate their Diet members to visit Hong Kong under the Sponsored Visitors Programme during the year. We also invited the Ministry of Foreign Affairs, the Ministry of Finance, and the Ministry of Economy, Trade, and Industry of Japan to send their young officials to visit Hong Kong under the same programme. This is in addition to other visitors we invited. In total, 27 politicians and 7 officials from Japan visited Hong Kong during the reporting period. From the Republic of Korea, the Tokyo ETO arranged for the visit of one official from the Ministry of Finance and Economy as well as two senior politicians, including the Former Prime Minister Dr Goh Kun.

5. The Tokyo ETO also helped arrange the visit programmes of over 10 delegations from Hong Kong to Japan and the Republic of Korea during the period. These included the visits of the Secretary for Housing, Planning and Lands in September 2005 and the Secretary for Environment, Transport and Works in March 2006.

Public Relations

6. During the reporting period, the Tokyo ETO continued with its major PR initiative entitled the "Hong Kong – Japan Year 2005", a project aimed at enhancing the business, tourism, cultural and educational exchanges between Hong Kong and Japan. The project's highlight was the Hong Kong Week featuring various events held from 14 to end of October 2005.

7. PRT hosted a University President's Dinner on 14 October at which the presidents and vice presidents of five renowned Japanese universities, namely, the University of Tokyo, the Hitotsubashi University, the Keio University, the Waseda University and the Sophia University, held fruitful exchanges on collaboration opportunities with Professor Lap-Chee Tsui, Vice-Chancellor of the University of Hong Kong, Professor Lawrence J. Lau, Vice Chancellor of the Chinese University of Hong Kong, Professor Roland Chin, Vice President of the Hong Kong University of Science and Technology, and other guests.

8. On 15 October, seven academics from the mentioned universities spoke at the Seminar on Youths of Hong Kong and Japan. This was followed by an educational 'road show' for Hong Kong universities to promote their education programmes to Japanese students. Close to 300 participants attended the two events.

9. On 16 October, the Tokyo ETO held the Second Hong Kong Sedan Chair Race as a joint project between the public and private sectors of Hong Kong and Japan. With the strong support of the Yokohama City Government, the race was held at the major tourist spots of Yokohama, including the Chinatown. The event attracted over 400 participants and thousands of spectators from Yokohama and nearby places.

10. Topping the Hong Kong Week was the Hong Kong Pop Culture Symposium and the opening gala of the Hong Kong Film Festival on 17 October. Hong Kong film director Wong Jing, pop artists Cecilia Cheung and Leo Ku were invited to be the guest speakers at both events. Over 800 guests attended, including senior politicians, officials and representatives from the cultural and media sectors. To enhance publicity of the "Hong Kong – Japan Year 2005" project, the Tokyo ETO arranged for a two-page feature supplement published by the Japanese national daily, Mainichi Shimbun in October.

11. In addition to the Hong Kong-Japan Year 2005 project, the Tokyo ETO arranged for the production of a one-hour special TV programme presenting Hong Kong's advantages and attractiveness. The programme was broadcast on the satellite TV channel BS-i in September 2005. In February 2006, the Tokyo ETO organised a media conference and reception jointly with the Hong Kong Trade Development Council (HKTDC) and the Hong Kong Tourism Board (HKTB) in Tokyo which drew more than 150 reporters. The Tokyo ETO also arranged for two Japanese journalists to visit Hong Kong in September 2005 and May 2006 under the Sponsored Journalists Programme. In the Republic of Korea, PRT spoke at a major promotional event entitled "2006 Discover Hong Kong Year" held in Seoul on 26 May. The Tokyo ETO also arranged media interviews for PRT to promote Hong Kong during the period.

Investment Promotion

12. The Investment Promotion Unit arranged 11 sector based promotional visits in 2005 and launched two visits targeting multiple sectors in 2006. The Hong Kong Jiangmen Investment Seminar was held in November 2005 to promote investment opportunities of Hong Kong and Jiangmen to the Japanese business community. The promotional activities in Japan led to 35 Japanese companies, including QB Net, Baltic Systems and Shinko Securities Co. Ltd., setting up offices or expanding their operations in Hong Kong in 2005, representing a growth of over 16 %.

Looking Ahead

13. The Tokyo ETO will continue to promote Hong Kong and strengthen our bilateral relations with both Japan and the Republic of Korea. The Tokyo ETO will also organise major activities to commemorate the 10th anniversary of the establishment of the HKSAR in 2007, including receptions, seminars, and cultural events.

14. The Tokyo ETO held a business seminar on 7 June in Osaka to promote the advantages and attractiveness of Hong Kong, together with the HKTDC and the HKTB. The Tokyo ETO plans to hold more such joint seminars at various cities in the coming year.

15. In view of the very positive impact of first-hand experience in Hong Kong on our interlocutors, the Tokyo ETO intends to invite more politicians and opinion formers from both countries to visit Hong Kong in the coming year. In addition, the Tokyo ETO will expand our efforts in fostering understanding and goodwill among the young people of Japan and Hong Kong. As a start, the Tokyo ETO has secured the agreement of a reputable Japanese youth exchange institution to invite university students from Hong Kong to participate in a regional youth summer exchange programme in Fukuoka this summer. The Tokyo ETO will explore similar opportunities for reciprocal visits by young people from Japan to Hong Kong.

16. Building on the success of the past two years, the Tokyo ETO will continue to co-organise the Third Hong Kong Sedan Chair Race to be held at Yokohama in November this year. The Tokyo ETO will also explore the feasibility of organizing other cultural events in the coming year, possibly featuring the gourmet culture and pop culture of Hong Kong.

17. The Tokyo ETO will also closely monitor the political and economic developments in Japan and the Republic of Korea. Of more immediate interest is the change of leadership in Japan. As Prime Minister Junichiro Koizumi will step down as the President of the ruling Liberal Democratic Party and his successor will become the new Prime Minister of Japan in September, the Tokyo ETO expects changes to both the cabinet and the senior echelon of the government. The Tokyo ETO will establish contacts with the new appointees and monitor the impact of the changes on Hong Kong.

Hong Kong Economic and Trade Office, Tokyo
June 2006

Report on the Work of the Sydney ETO

The Sydney ETO is responsible for Hong Kong's economic and trade relations with Australia and New Zealand. In the past twelve months, the Sydney ETO has continued to vigorously promote Hong Kong as Asia's premier international city and promulgate government policies and initiatives (CEPA and Pan PRD Co-operation etc.) to political leaders, government officials, the business community and the general public. This is done mainly through regular liaison, speaking engagements, business conferences, as well as radio and TV interviews, press releases and special reports etc.

Commercial Relations

2. On the commercial relations front, the Sydney ETO has been watching closely any trade-related developments, such as trade disputes, trade negotiations, and anti-dumping investigations by Australian and New Zealand governments that may have a bearing on Hong Kong's trade interests. The Sydney ETO monitored the foreign and trade policies of the two governments, and their respective positions in multilateral and regional forums, such as the World Trade Organization, and the Asia-Pacific Economic Cooperation (APEC). The Sydney ETO paid particular attention to the progress of bilateral/multilateral trade negotiations between Australia/New Zealand and other countries/regional groupings, including the Mainland and Hong Kong. The Sydney ETO also handled an increasing number of trade-related enquiries from Australian/New Zealand companies seeking information and assistance from this office on issues such as Hong Kong's import/export policies and procedures, trade declarations and licences, customs clearance etc.

3. Free Trade Agreement negotiations between China and Australia/New Zealand have progressed to a more substantive stage, and the Sydney ETO is watching developments closely.

4. On another bilateral front, Hong Kong and Australia have signed an Agreement on Transfer of Sentenced Persons in November 2005, which provides for the mutual transfer of jailed persons to their place of origin while serving their sentence. The agreement represents another major step forward in the cooperation between Hong Kong and Australia in matters of criminal justice and international law enforcement.

Public Relations

5. Over the past twelve months, the Sydney ETO has continued to be proactive in presenting Hong Kong as the business hub of the region and the unrivalled gateway to and for the ever-growing Mainland China market. The Sydney ETO commissioned an eight-page special report in "Company Directors", the monthly journal of the prestigious Australian Institute of Company Directors, which highlighted Hong Kong's position as the key conduit to China, the centre of the Pan-Pearl River Delta Region and a vital trading hub. The Sydney ETO further commissioned the publication in May of two special reports on Hong Kong by The Australian and the New Zealand Herald, the major print media in the two countries, to tie in with the visit of the Financial Secretary. Regular updates on Hong Kong have also been contributed to newsletters and magazines published by Australian business associations, including the Australian Institute of Export, the Australian China Business Council and various state chambers of commerce.

6. Events organised or sponsored to promote Hong Kong included a series of networking events with various business associations, business briefings and Chinese New Year receptions, which extended this year to Canberra, Australia. To showcase Hong Kong's vibrant and innovative film industry, the Sydney ETO lent support to the Sydney Film Festival and the Melbourne International Film Festival in Australia in presenting a diverse selection of Hong Kong films.

7. In May, the Sydney ETO helped organise a 10-day promotional visit by the Financial Secretary to Auckland, Wellington, Melbourne, Canberra and Sydney. During his visit, the Financial Secretary delivered key-note speeches at gala events, met with senior political, business and community leaders, think tanks, as well as the media. He also officiated at the launch of the "2006 Hong Kong Shopping Festival & Mid-Autumn Festival", a tourism promotion campaign in Sydney, and met with over 200 Hong Kong students studying in Melbourne. The Sydney ETO also staged performances by the Hong Kong Chinese Orchestra in Auckland, Melbourne and Sydney during the Financial Secretary's visit to showcase the cultural side of Hong Kong.

8. The period under report also saw visits by a number of senior officials from Hong Kong, including the Secretary for Health, Welfare and Food, the Secretary for Home Affairs, the Permanent Secretary for Financial Services and the Treasury (Financial Services) and the Director-General of Investment Promotion.

9. The various visits by senior officials have all contributed towards raising the profile of Hong Kong in Australia and New Zealand and highlighting the opportunities in further developing two-way trade and investment links.

Investment Promotion

10. Over the past twelve months, the Investment Promotion Unit in the Sydney ETO visited a good many Australian and New Zealand companies and assisted interested parties in establishing or expanding their presence in Hong Kong. During the period 11 projects have been completed successfully, which resulted in nine Australian and two New Zealand companies setting up offices in Hong Kong.

11. 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 Western Australia. Response to the briefings has been both encouraging and positive. The appointment of a consultant in Melbourne helped to strengthen investment promotion and liaison work in the states of Victoria and South Australia, and it is noteworthy that four of the completed projects were from these states. The part time consultant in Auckland, New Zealand has also been effective in augmenting our investment promotion efforts in that country.

Looking Ahead

12. In the coming year, the Sydney ETO will continue to liaise closely with our contacts 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. The investment promotion 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.

Hong Kong Economic and Trade Office, Sydney
June 2006

Report on the Work of the Singapore ETO

The Singapore ETO is responsible for promoting Hong Kong's economic and trade relations with the ten member countries of the Association of South East Asian Nations (ASEAN)¹. 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 ETO has continued to organise various business and trade related events to showcase Hong Kong's advantages under the "One Country, Two Systems" concept, pro-business environment, positioning as Asia's world city as well as the gateway to the Mainland. In addition, the Singapore ETO also assisted in arranging visits by senior officials to the region, including the Secretary for Financial Services and the Treasury's visit to Bangkok in September 2005 and to Kuala Lumpur in January 2006, the Permanent Secretary for Economic Development and Labour (Labour)'s visit to Singapore in July 2005, and the Commissioner for Tourism's visit to Singapore in June 2005. The Singapore ETO also made nominations and coordinated visits of VIPs and senior media personnel from the region to Hong Kong under the sponsored visitors programme and sponsored journalists programme.

Commercial Relations

3. The Singapore ETO maintains close contact with governments, embassies, chambers of commerce, as well as trade and business organisations in the region. The Singapore ETO organises and attends regularly economic and trade related seminars, workshops and conferences such as 2005 ASEAN Business and Investment Summit and Special Leaders Dialogue in Kuala Lumpur. The Singapore ETO also closely monitors trade and economic developments in the region, including the network of bilateral free trade agreements.

4. The Singapore ETO organises and participates in various seminars to promote CEPA among our business interlocutors in the region. In October 2005, the Singapore ETO co-organised with the Hong Kong Trade Development Council the "CEPA Seminar: Your Springboard to China". At the seminar, the Deputy Director-General of Trade and Industry gave a presentation on the latest developments on CEPA, including the further liberalization measures under CEPA III.

5. The Pan-Pearl River Delta Co-operation and Development Forum, or "9+2" in short, is also a main theme for promotion. The Singapore ETO publicised through seminars the details of this new initiative on economic co-operation between Hong Kong, Macao and the nine provinces in the Mainland. As part of the activities to celebrate the 10th Anniversary of the establishment of the Singapore ETO, the Singapore ETO co-organised a forum in March 2006 entitled "Pan-Pearl River Delta: The '9+2' Equation" with the Singapore Chinese Chamber of Commerce to help the business community in Singapore better understand the economic implications and business opportunities arising from 9+2. The event was well attended by about 250 participants, some coming from Malaysia, Thailand, Vietnam and Japan. A post-forum reception was also held to facilitate networking of organisers, speakers and participants.

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

6. The Singapore ETO also promotes Hong Kong's "Capital Investment Entrants Scheme" and the new "Quality Migrants Admission Scheme" in the region. Many of our business contacts have expressed interest in the two schemes.

Public Relations

7. The Singapore ETO organises 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 Singapore ETO with the opportunity to publicise the Basic Law and the "One Country, Two Systems" principle.

8. To continue promoting Hong Kong as Asia's world city, the Singapore ETO set up a booth at the "Discover Hong Kong Year" regional fairs at major shopping malls in Singapore, Bangkok, Manila and Kuala Lumpur in January and February 2006. The fairs, co-organised by the Hong Kong Tourism Board, the Singapore Office and Cathay Pacific Airways, showcased Hong Kong as a preferred tourism destination and as Asia's world city. Information materials on doing business and investing in Hong Kong were given to visitors.

9. On the cultural front, the Singapore ETO invited interlocutors and representatives from the local arts community in Singapore to attend the performance by Mr Warren Mok, world renowned Hong Kong tenor, with the Singapore Symphony Orchestra in July 2005, the Cantonese opera "A Sentimental Journey" featuring the famous Hong Kong actress Chan Po-chu in September 2005, and the avant-garde Beijing opera "The Outcast General" staged by Zuni Icosahedron at the annual Huayi Festival held at the Esplanade in February 2006. Guests were impressed by the performances.

10. The Singapore ETO also fully supported the Tourism Commission in staging the Hong Kong Tourism Roadshow in Singapore in June 2005. The roadshow, led by the Commissioner for Tourism, 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 the local travel industry as well as senior government officials, diplomats and business executives.

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. In 2005, the investment promotion team was able to reach out and provide assistance to companies in the region for the completion of 12 projects resulting in 12 companies setting up businesses in Hong Kong.

Looking Ahead

12. To celebrate its 10th Anniversary, the Singapore ETO has lined up a range of activities for the remaining months of 2006. These include the performance by the Hong Kong Children's Symphony Orchestra, a Hong Kong Film Festival and a gala dinner. The Singapore ETO will use these and other occasions to step up promotion of Hong Kong's economic and trade relations with the ASEAN. The Singapore ETO will also foster closer ties with the Hong Kong Inc in the region and collaborate further with Hong Kong Trade Development Council in promoting Hong Kong as a business hub for accessing the very buoyant Mainland market. The Singapore ETO will also continue to join hands with the Hong Kong Tourism Board to promote Hong Kong as a premier tourist destination.

Hong Kong Economic and Trade Office, Singapore
June 2006

Report on the Work of the Toronto ETO

The Toronto ETO 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 emphasis of the Toronto ETO's business promotion over the past 12 months was to position the Hong Kong Special Administrative Region (HKSAR) as a solid partner of Canada in implementing their Pacific Gateway Strategy, taking into account the unique position and advantages of the HKSAR in China's rapid growth and the opportunities available to overseas companies under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). The Toronto ETO focused on liaising with opinion leaders in both public and private sectors as well as direct marketing through business seminars, electronic newsletters and exhibitions.

3. On public and private sector liaison, apart from maintaining regular dialogue with our interlocutors through personal calls and meetings, the Toronto ETO arranged one-on-one briefings for leading figures in the Canadian political and business sectors to keep them abreast of the developments in Hong Kong. In view of the change in federal government in early 2006, the Toronto ETO organised a breakfast seminar on 18 May 2006 on Parliament Hill in Ottawa to brief Members of the new Parliament, their political staff, senior government officials and business leaders about the latest economic developments in Hong Kong.

4. On business promotion, on 24 October 2005, the HKSAR Government and the People's Government of Guangdong Province jointly staged the "Hong Kong – Guangdong Business Forum in Canada 2005" in Vancouver. The business forum was the biggest of its kind ever staged in Canada and was attended by over 1 400 guests including the federal Minister of Industry, the Premier of British Columbia and a number of provincial ministers. The Chief Executive of the HKSAR and the Governor of Guangdong hosted the business forum and delivered keynote speeches on the occasion. Taking the opportunity of his visit to Canada, the Chief Executive also had meetings with the federal Minister of Industry and the Premier of British Columbia respectively to explore ways to further promote closer economic co-operation between Canada and Hong Kong.

5. Apart from the flagship event in Vancouver, the Toronto ETO co-organised business seminars with the Hong Kong Trade Development Council and other industry bodies in several major Canadian cities including Toronto, Calgary, Montreal and Ottawa. In addition, the Director, Economic and Trade Affairs, Toronto was invited to give speeches / presentations in over 25 seminars / events organised by local government agencies or trade associations. The Toronto ETO also supported the Hong Kong - Canada Business Association to organise their second national Hong Kong business forum in Winnipeg on 29 May 2006. This one-day forum attracted 300 participants from all over Canada.

6. Over the past 12 months, a number of senior officials from Hong Kong visited Canada, including the Secretary for the Civil Service, the Director of Planning, and the Director-General of Investment Promotion. In May 2006, the Toronto ETO provided support for a joint Mainland and Hong Kong Information Communication Technology delegation to three Canadian cities, namely Toronto, Montreal and Vancouver, to promote Canadian participation in the ITU Telecom World 2006 to be held in Hong Kong in December this year.

Public Relations

7. The Toronto ETO focused on working strategically with the Hong Kong family members – Hong Kong Tourism Board, Hong Kong Trade Development Council, different sections of Hong Kong - Canada Business Association, and organisations in the mainstream and Hong Kong community to maximize the publicity mileage and impact of its major events and publicity campaigns.

8. In so doing, the Toronto ETO successfully secured four “Hong Kong Day” or “Hong Kong Week” proclamations during the year by the mayors of Calgary, Vancouver and Toronto and the Manitoba provincial government to mark respectively the fully corporate-sponsored Hong Kong Fireworks Display in Calgary; the performances of the Hong Kong Cantonese Opera Troupe and Wushu Team in Vancouver, which was jointly organised with the Canadian Cancer Society; the visit of the Hong Kong Repertory Theatre for four full-house performances of “Love in a Fallen City” to Toronto – a joint project with the Yee Hong Community Wellness Foundation; and the business and cultural promotion in Winnipeg. A 500-people “Tribute to Hong Kong” gala dinner was held earlier in the year, in conjunction with 16 prominent organisations in the Hong Kong community, to pay tribute to the Hong Kong spirit and to celebrate the “Hong Kong Culture and Heritage Day” in Toronto.

9. There was fruitful collaboration between the Toronto ETO and mainstream media in the production of supplements and special reports on Hong Kong, including two Hong Kong supplements in the Canadian Business magazine, one in the Maclean’s magazine, one eight-page Hong Kong Special Report in the Globe & Mail, as well as a five-episode TV series featuring Hong Kong as a business centre, logistics hub and tourist destination, co-produced with Rogers OMNI Television, entitled “The Hong Kong Connection – Canada and the New China.”

Investment Promotion

10. The Investment Promotion Unit in the Toronto ETO is dedicated to the promotion of Canadian 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 159 companies in various provinces. The Unit has successfully assisted seven organisations to set up offices in Hong Kong. In addition to company visits, it has also participated in and supported the business seminars and conferences organised by the Toronto ETO and other Hong Kong family members.

Looking Ahead

11. In the coming year, the Toronto ETO will continue to promote Hong Kong and strengthen our relations with interlocutors in various sectors. The Toronto ETO will monitor closely developments of the possible new federal election in early 2007 and its effects on our economic and trade relationship with Canada. On the public relations side, the Toronto ETO will work closely with the local Hong Kong community to organise publicity events to celebrate the 10th anniversary of the establishment of the HKSAR.

Hong Kong Economic and Trade Office, Toronto
June 2006