

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

**Reports on the Work of
HKSAR's Offices in the Mainland**

This paper gives an account of the work undertaken by the Office of the Government of the Hong Kong Special Administrative Region in Beijing and the Hong Kong Economic and Trade Office in Guangdong in the past twelve months. Details of the work of these two offices are set out in Annexes 1 and 2.

Mainland Affairs Liaison Office
Constitutional Affairs Bureau
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**Report on the Work of
the Office of the Government of the Hong Kong
Special Administrative Region in Beijing**

Since its establishment, the Office of the Government of the Hong Kong Special Administrative Region in Beijing (the Beijing Office) seeks to enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSAR) and the Central People's Government (CPG) and other Mainland authorities, promote Hong Kong in the Mainland, handle immigration related matters, and provide assistance to Hong Kong residents in distress in the Mainland.

Liaison and Communication with CPG and other Mainland Authorities

2. The Beijing Office actively establishes and maintains close contacts with various authorities and organizations in the Mainland. Such liaison work enables the Government of the HKSAR to have a better understanding of the policies and developments in the Mainland. The Beijing Office also provides information about the HKSAR to the CPG and other Mainland authorities and non-governmental organizations. On the basis of instructions from the Government of the HKSAR, the Beijing Office also takes necessary action with the Mainland authorities on specific issues.

3. To facilitate official exchanges between the Government of the HKSAR and the Mainland authorities, the Beijing Office assists in organizing meetings, interviews and visits for the visiting official delegations and in providing necessary logistical support. Over the past twelve months, the Beijing Office assisted in organizing 65 visits of official delegations from Hong Kong to the Mainland and 19 visits of Mainland official delegations to Hong Kong.

Commercial Relations

4. On commercial relations, the Beijing Office is committed to facilitating Hong Kong businessmen in tapping business opportunities in the Mainland. In this regard, the Office continues to keep close liaison and cooperation with the central ministries with a view to collecting latest information on commercial policies, rules and regulations, and to report the related information to the Government of the HKSAR. The Office will, when appropriate, express its views with relevant ministries and departments. On major economic and business related events and issues, such as various regional economic development initiatives and the Beijing Olympic Games in 2008, the Beijing Office continues to keep close watch on developments and regularly makes reports to relevant departments in Hong Kong. To strengthen its liaison and working contacts with provincial/municipal governments under its purview, the Beijing Office also calls on provincial/municipal government leaders, meets with senior officials of their trade and economic authorities as well as pays visits to different companies. Cities visited by the Beijing Office during the past twelve months included Shijiazhuang, Wuhan, Xiamen, Fuzhou, Shanghai, Jinan, Dalian, Qingdao and Tianjin, etc.

5. The Beijing Office actively facilitates the effective exchange, discussion and cooperation between the Government of the HKSAR and the Mainland authorities, both at central and local levels, with regard to further trade liberalisation and implementation of the Closer Economic Partnership Arrangement (CEPA). The Office also collates information related to the implementation of CEPA in the Mainland, to facilitate the enhancement and updating of CEPA-related information in the website of the Trade and Industry Department. To facilitate effective implementation of CEPA, the Office organizes and participates in seminars that promote direct exchanges and discussions between Hong Kong businessmen and the Mainland authorities.

Promoting Hong Kong

6. As part of our efforts to deepen understanding about Hong Kong in the Mainland, the Beijing Office organized large-scale events in Hebei Province (June 2005) and Hubei Province (November to December 2005) to promote CEPA and business opportunities brought about by CEPA, Hong Kong's financial services, professional services, tourism, investment environment, as well as various trade and industry sectors. Led by the Financial Secretary, over 400 representatives from various economic and professional sectors in Hong Kong participated in the events. Around 3,000 people, including key officials from the provincial governments, government departments and representatives from the relevant enterprises, participated in the various seminars. Around 60,000 members of the public visited the exhibitions and product expositions. These two events have played a positive role in strengthening mutual understanding, establishing relations and facilitating future economic cooperation. We understand that many Hong Kong enterprises and professionals have followed up their discussions with local businessmen on specific cooperation projects after the events.

7. Such promotional efforts were complemented by publicity efforts through the mass media. During the year, the Beijing Office continued its cooperation with the Mainland media to publicize and promote Hong Kong. For instance, the weekly "Beijing - HK Through Train" programme, a joint venture with China National Radio since 2001, was broadcast throughout the year. The contents of the programme were enhanced in last year, covering both current affairs, economy, trade, culture, art, information technology, and tourism, etc. We also enhanced our co-operation with CCTV through the production of various episodes such as "中國名街" and "直通香港" to deepen and widen the promotion of Hong Kong. In addition, we invited two groups of local journalists from Hebei and Hubei, where we held large-scale events during the year, to visit Hong Kong before the events to help them better report our activities, so as to attain the best promotion results.

Immigration-related Matters, Assistance Rendered to Hong Kong Residents and General Enquiries

8. The Immigration Section of the Beijing Office processes applications for entry to Hong Kong, conducts negotiations on visa-free access with foreign diplomatic missions in Beijing, handles enquiries on immigration matters, and provides practical assistance to Hong Kong residents who lost their documents or encountered personal safety problems in the Mainland. The Section also maintains contacts with counterparts in relevant CPG departments on immigration-related and nationality matters. In the past twelve months, 5,380 entry applications, 16,050 enquiries and 319 distress cases, including 90 detention cases and 229 non-detention cases, were

received. Earlier this month, a serious traffic accident took place in Yichang, Hubei which killed and injured a number of Hong Kong residents. The Beijing Office, after being informed of the accident, had immediately deployed officers to Yichang to assist the victims and their families.

9. The Beijing Office also handles requests for assistance from Hong Kong residents who encountered economic or other problems in the Mainland. Such assistance includes making referrals to and following up cases with the relevant Mainland authorities. In the past year, 220 such requests were handled. The Beijing Office also handled 113 general enquiries about Hong Kong last year.

Looking Ahead

10. With the establishment of the Economic and Trade Offices in Shanghai and Chengdu respectively in the second half of this year, the geographical coverage of the Beijing Office will be adjusted to include 15 provinces/municipalities/autonomous regions, viz. Beijing, Tianjin, Hebei, Henan, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu, Ningxia, Qinghai and Tibet.

11. In the coming year, the Beijing Office will strengthen its economic liaison and investment promotion efforts in the Circum-Bohai Sea, North East and North West regions. The Beijing Office has set up an Investment Promotion Unit this year, which will join effort with Invest Hong Kong to actively promote to state-owned and private enterprises in the Mainland the idea of international market expansion. By setting up companies in Hong Kong, such enterprises can capitalize on Hong Kong's edge as a platform for "launching" their businesses into the international market. The Investment Promotion Unit will also organize and participate in various promotional activities, such as seminars and promotional briefings to attract investments of Mainland enterprises in Hong Kong.

12. The Beijing Office will liaise with governments of the provinces/municipalities/regions under its geographical coverage to gather information on economic and trade related policies, regulations and latest developments. We will also undertake analysis of such developments and report to the concerned bureaux and departments of the Government of the HKSAR for release to the relevant trade and industrial organizations. We shall also strengthen our communication with Hong Kong businesses operating in the provinces/municipalities/regions, and organize or co-organize events that will facilitate liaison and exchanges between Hong Kong businessmen and economic and trade related authorities in the Mainland. Through these activities, we aim to assist Hong Kong businessmen to have a deeper understanding of the investment environment and relevant policies and regulations in the Mainland. This will in turn facilitate the exploring of opportunities for business cooperation. The establishment of direct communication channels will be useful when they encounter problems and issues in businesses and investments.

13. On promoting Hong Kong, we will step-up our efforts, such as broadcasting weekly radio programmes on Hong Kong in Northern China, so as to establish a wider and deeper reach of the general public in the Mainland.

The Office of the Government of the
Hong Kong Special Administrative Region in Beijing
June 2006

Report on the Work of the Hong Kong Economic and Trade Office in Guangdong

With the support of the Guangdong Provincial People's Government and the 21 municipalities in the past years, the Hong Kong Economic and Trade Office in Guangdong (GDETO) has established a firm foothold in the province and been able to carry out our work smoothly in promoting business and trade links between Hong Kong and Guangdong.

2. Besides government authorities, Hong Kong business organisations in Guangdong including the Hong Kong Trade Development Council, Hong Kong Productivity Council etc., as well as various trade associations are also our close working partners. The third "Joint Party of Hong Kong Enterprises Operating in Guangdong", held in November 2005 in Guangzhou, was attended by over 1000 Hong Kong businessmen. In December, we co-organized a special television programme with the Guangdong Television Station and Asia Television Ltd. The programme carried special features to highlight the unity of Hong Kong business organisations in Guangdong. The performance attracted an audience of 3000.

3. In the past year, we continued to provide logistical support to meetings of expert groups under the Pan-PRD Regional Cooperation and Development Forum, the Hong Kong/Guangdong Cooperation Joint Conference and the Closer Economic Partnership Arrangement (CEPA). We have also collaborated with government departments both in Hong Kong and Guangdong on planning and coordinating a number of mutual visits by senior officials of the two places.

4. To enhance further the links between Hong Kong and Southern China, the geographical coverage of GDETO has been expanded to cover five provinces, namely Fujian, Jiangxi, Guangdong, Guangxi and Hainan with effect from April 2006. An immigration team has also been set up to provide practical assistance to Hong Kong residents in distress in these five provinces.

Commercial Relations

5. Over the past twelve months, we continued our efforts in providing Hong Kong enterprises with a wide range of services beneficial to their business development in the Mainland. The weekly GDETO Newsletter provided the latest information on economic and trade-related developments and activities in Guangdong. With the expansion of the geographical coverage of GDETO to five provinces since April 2006, the Newsletter also covered economic and trade-related information of the other four provinces. We also produced and updated various publications/leaflets to help Hong Kong businessmen understand the economic and trade information in Guangdong. These included "List of Investment Advisory/Service Agencies in Guangdong", "List of CEPA-related Websites in Hong Kong, Guangdong and the PRD", "List of Economic and Trade-related Websites in Guangdong", and "Flowchart on Approval Procedures of Applying for Provision of Logistics Services in Guangzhou under CEPA".

6. During the period, we organized more than ten activities which were conducive to the business development of Hong Kong enterprises in the Mainland and could enhance their understanding of relevant rules and regulations. These activities included “Interim Administrative Measures on Textile Exports” (July 2005), “Seminar on the Regulations on the Employment of Taiwan, Hong Kong and Macau Residents in the Mainland” (August 2005), “Meeting with Huangpu Customs on its Requirements to Conduct Self-examination on Taxation Issues for Processing Enterprises” (October 2005), “Seminar on Taxation for Hong Kong Enterprises” (April 2006) and “Discussion Forum on Labour Contract Law (Draft)” (May 2006).

7. In addition, we have since April 2005 organized “Luncheon Gatherings with Heads of Hong Kong’s Trade and Industry Associations” in order to maintain direct communication and cooperation with trade associations in Hong Kong. The gatherings enable us to better understand the problems encountered by Hong Kong businessmen and to gauge their views on investment and business environment in the Mainland. This would enable us to offer services in a more effective and efficient manner.

8. We also actively assisted Hong Kong enterprises by reflecting their common concerns to relevant government departments in Guangdong and taking follow-up actions. Some important issues taken up included arrangements on exports of textiles products, Huangpu customs’ requirements to conduct self-examination on taxation issues for processing enterprises, plan on the special rectification campaign on the safety of enterprises manufacturing dangerous chemical goods, draft Labour Contract Law, price management policy for goods applying for tax refund, and taxation policy for processing trade etc. We also handled requests for assistance on trade-related matters from Hong Kong residents, which concerned mainly business and trade disputes, and complaints against administrative, law enforcement and judicial agencies in the five provinces, by making referrals to the relevant Mainland authorities.

Investment Promotion

9. Attracting Guangdong enterprises to invest in Hong Kong is another major focus of work of the GDETO. In the reporting period, we visited around 200 Guangdong enterprises. A total of 22 enterprises successfully started or expanded their businesses in Hong Kong under our help during the period. We have built up and maintained strategic working relationship with more than 30 local trade and industrial organizations. These organizations would refer their members to us for assistance if they are interested in investing in Hong Kong.

10. We organized two large-scale seminars, held in Guangzhou (September 2005) and in Shenzhen (April 2006) respectively, to promote Hong Kong as an ideal investment location. To cater for the specific needs of Guangdong enterprises and in consultation with the Department of Foreign Trade and Economic Cooperation of Guangdong, we have compiled a booklet providing guidance for Guangdong enterprises interested in investing in Hong Kong. We had also organized/assisted in four investment study missions to Hong Kong to enable Guangdong enterprises to gain first-hand information concerning Hong Kong and facilitate their investment decision. Moreover, we sent representatives to speak in 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 a presence in Hong Kong.

Immigration-related Matters, Assistance Rendered to Hong Kong Residents and General Enquiry

11. Starting from April this year, the Immigration Division of GDETO has been providing practical assistance to Hong Kong residents (HKRs) in distress in the provinces under our coverage. These services include assisting those who have lost their travel documents by confirming their HKR status, and making arrangements for their returning to Hong Kong; providing practical assistance to HKRs and their families affected by serious accidents; and referring the needs of detained or arrested HKRs and their families to relevant Mainland authorities.

12. From April to May 2006, 98 enquiries and 44 distress cases were received, including 35 detention cases and 9 non-detention cases. During the period, we deployed staff to Fujian following a serious traffic accident which involved a number of deceased and injured HKRs and provided practical assistance to the affected HKRs and their families. We also participated in two operations organized by the Central People's Government to evacuate Chinese citizens from Solomon Islands and East Timor to Guangdong and Fujian, and helped arrange the HKRs to return to Hong Kong.

13. Other than handling cases relating to personal safety, we also handle requests for assistance from HKRs who encountered economic or other problems in the five provinces. Such assistance includes making referrals to and following up with the relevant Mainland authorities. A total of 47 such requests were received in the past year. GDETO also handled 671 general enquiries on Mainland policies/regulations and on general matters regarding Hong Kong.

Looking Ahead

14. In the coming year, we will continue to strengthen our ties with the provincial and municipal authorities in Guangdong on the one hand, and endeavour to build up good working relationship and channels of communication with Fujian, Guangxi, Jiangxi and Hainan on the other. The aim is to achieve greater economic co-operation and to forge closer business links between Hong Kong and these provinces. We will closely monitor the economic and trade developments in these provinces, in particular the implementation measures relating to CEPA; conduct the necessary analysis for timely dissemination to relevant departments of the HKSARG and Hong Kong businessmen; and follow up common concerns of Hong Kong enterprises operating in these provinces.

15. On investment promotion, we will continue to follow up with individual enterprises on their investment projects in Hong Kong and organize large-scale promotion events in major cities. With the expansion of geographical coverage of the GDETO, we have initiated contact with the relevant authorities of the four additional provinces and are developing new investment promotion plan. We will organize large-scale promotion events in these provinces. More intensive follow up actions will also be arranged.

16. On the provision of assistance to Hong Kong residents, we will strengthen our communication and cooperation with relevant Mainland authorities in the five provinces to ensure better coordination of work. We will also maintain close contact with non-governmental organisations providing similar services.