

**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 November 2007. 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 (HKC) as a member of the World Trade Organization (WTO). The ETO also represents HKC as a member in the International Textiles and Clothing Bureau (ITCB)¹ and the Advisory Centre on WTO Law (ACWL)² in Geneva, and as an observer to the Trade Committee of the Organisation for Economic Cooperation and Development (OECD) in Paris.

Commercial Relations

2. The Doha Round of multilateral trade negotiations (also known as the “Doha Development Agenda” or DDA) has been intensified since September 2007 following the release of the first draft modalities texts by the chairmen of the agriculture and non-agriculture market access (NAMA) negotiations. Members have sought to narrow their differences on various issues in the negotiations, with a view to starting the horizontal process of trade-offs between agriculture and NAMA before meeting at ministerial level among a critical mass of players to agree on modalities in agriculture and NAMA in time for the conclusion of the DDA negotiations by the end of 2008.

3. The Geneva ETO has continued to participate actively in various aspects of the negotiations. Apart from the General Council and Trade Negotiations Committee, which are open to all members, the Geneva ETO participates regularly in Heads of Delegation meetings in various configurations chaired by the Director General of the WTO to discuss important issues relating to the negotiations, including the overall process. In the NAMA negotiations, we have been working with a number of developing members in the promotion of a “middle-ground” solution for reduction of tariffs for industrial goods. Our proposal is widely recognised as an effort to bridge the wide gaps in the negotiating positions of many members, and a positive contribution to consensus-building. In the services negotiations, the ETO has been working with other like-minded members and have contributed to the preparation of a multilateral text which aims to provide guidance to members in the services negotiations. We have participated actively in bilateral meetings with other members to seek further market openings in sectors of interest to Hong Kong. We have coordinated the plurilateral requests for greater liberalisation in logistics and related services as well as that on the removal of Most-Favoured-Nation exemptions. The ETO has also played a prominent role in the Working Party on Domestic Regulation and the Working Party on GATS (General Agreement on Trade in Services) Rules, which have been working on various draft texts and proposals. In the agriculture negotiations, given their pivotal role in the DDA negotiations, we have been monitoring progress closely at the open-ended Special Sessions of the Committee on Agriculture.

¹ The ITCB is an inter-governmental organisation based in Geneva, currently comprising 20 developing, exporting members of textiles and clothing products.

² The ACWL is an inter-governmental organisation based in Geneva providing legal assistance in WTO dispute settlement proceedings and legal training in WTO law to its developing and least-developed members.

4. In the anti-dumping negotiations, the Geneva ETO has participated actively in the discussions and expressed our concerns over the draft negotiating text upon its release, as this in our view is tilted towards the users of anti-dumping. We have, in conjunction with other like-minded members, submitted a number of proposals to seek to improve the draft text. We have continued to press for the early release of a balanced yet ambitious revised text to serve as the basis for the final stage of the negotiations. In the trade facilitation negotiations, the ETO has continued to play an active role in the Negotiating Group. Apart from participating in the negotiations, we have also convened informal Focus Group meetings to facilitate convergence of views amongst members on different trade facilitation proposals in our efforts to help move the discussions forward. In the negotiations concerning the establishment of an international register for geographical indications, pursuant to the Agreement on Trade-Related Aspects of Intellectual Property Rights, the ETO has continued to advocate our proposal, which provides an alternative model for the register, and have actively participated in the discussions with a view to bridging the gaps between members.

5. Apart from the negotiations, in November 2007 the Geneva ETO participated in the Global Aid for Trade Review, which was attended by the heads of international agencies, such as the World Bank, International Monetary Fund, OECD and major regional banks, as well as ministers from both donor and recipient economies. We highlighted the role of the Hong Kong Ministerial Declaration in launching the Aid for Trade initiative and underlined the importance of priorities, partnership, as well as predictability and accessibility of financing to the construction of the future roadmap. In addition, the ETO has closely monitored WTO dispute settlement cases and advised on HKC's participation as a third party in those cases. We have also continued to participate in meetings of regular WTO committees and bodies. In particular, our participation in and contributions to the regular trade policy reviews of WTO members have been well-appreciated by other members. The Permanent Representative of the Hong Kong Special Administrative Region of China to the World Trade Organization (PRG) has been appointed to chair the Working Group on Trade, Debt and Finance.

6. Outside the WTO, the Geneva ETO has been working closely in the ITCB with other developing members that export textiles and clothing products, to defend our exporting interests against persistent protectionist pressures. PRG has been appointed to chair a task force charged with examining the role and functions of the ITCB in the present world trade environment. We have also participated actively in the ACWL and the Trade Committee of the OECD over the past year.

Looking Ahead

7. WTO members will continue intensive discussions in the weeks ahead in an effort to conclude the DDA negotiations by the end of this year. Whether this can be achieved will depend on members' readiness to show the necessary political will to narrow their differences. Progress will have to be seen not just in the negotiations on agriculture and NAMA, but also in those on services and rules. The Geneva ETO will continue to participate actively in the negotiations in order to advance and defend the commercial interests of Hong Kong, and to support the multilateral trading system.

Report on the Work of the Washington ETO

The main functions of the Washington ETO are to monitor political and economic developments of the United States (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.

US Political Landscape

2. As President Bush moves into the last year of his presidency, his approval rating continues to hover at a level of 30%. In his last State of the Union Address delivered in January 2008, President Bush outlined an agenda focused on improving the economy, fiscal restraint, renewal of expiring tax cuts, immigration reform, and obtaining approval of the free trade agreements (FTAs) his Administration had negotiated. However, with the Democrats controlling both houses of the Congress, it is doubtful whether the Bush Administration will be able to push through these initiatives, particularly in the run-up to the Congressional elections in November. This has already manifested itself in the vote by the House in April to remove the fast-track timeline under the President's trade promotion authority for consideration of the US-Colombia FTA.

3. The focus of the political attention this year is firmly on the Presidential election. While Senator John McCain has emerged as the presumptive Republican nominee since March 2008, Senator Barack Obama and Senator Hillary Clinton have been locked in the tightest Democratic nomination race in years. On 3 June, the last day of the primary season, Obama ultimately claimed victory after winning the number of delegates needed for securing nomination at the party's convention in August 2008.

Commercial Relations

4. The Washington ETO helps foster Hong Kong-US 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 trade and economic interests.

5. Homeland security continued to be a focus of the US policy and legislative agenda. Over the past year, US Congress and Administration were particularly interested in the area of cargo security. The Washington ETO met with key interlocutors in the US Administration, Congress and think-tanks to update them on Hong Kong's counter-terrorism efforts and promote Hong Kong's contribution to global security while facilitating legitimate trade. The US Department of State's Country Reports on Terrorism 2007 fully recognised Hong Kong's strategic trade control system and co-operation under the Container Security Initiative.

6. The Washington ETO continued to monitor and report significant developments in the US which 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 countervailing cases against China; negotiations on free trade agreements involving the US; product safety issues; key developments in the US market and the US economy; as well as major trade disputes involving US. With respect to negotiations on the Doha Development Agenda of the World Trade Organization, the ETO closely monitored the stance of different stakeholders and liaised with the US Administration and the business community with a view to gaining a better understanding of the US's position and explaining that of Hong Kong's.

Public Relations

7. The Washington ETO engaged its interlocutors on a regular basis to update them on the key developments and economic situation in Hong Kong. In particular, interlocutors were assured that Hong Kong continued to enjoy a high degree of autonomy under the "One Country, Two Systems" principle. The Commissioner for Economic and Trade Affairs, USA also made trips to different states and cities to call on governors, local officials, chambers of commerce, corporate America, academia, think-tanks and the media to keep them abreast of Hong Kong's latest development and to present to them the opportunities Hong Kong offered for US businesses.

8. During the reporting period, the Washington ETO organised a number of events to raise the profile of Hong Kong. In February 2008, the ETO hosted a reception for the Washington International Trade Association to convey the Hong Kong messages to the diplomatic and international trade community in Washington. In the same month, the Washington ETO held its annual Spring Reception, which attracted around 1,000 guests from the Administration, Congress, think-tanks, and diplomatic circle. Taking the opportunity of the Spring Reception, we held an exhibition to promote Hong Kong as an Olympic co-host city. In March 2008, the ETO hosted a dinner for the World Council of Credit Unions as a prelude to their international conference to be held in Hong Kong in July 2008.

9. In November 2007, the Secretary for Commerce and Economic Development visited Washington to meet with the US Trade Representative, Congressional members, major think-tanks and business leaders to update them on the economic outlook of Hong Kong. In May 2008, the Secretary for Financial Services and the Treasury visited Washington to meet with the Chairman of the Federal Reserve, the Chairman of Securities and Exchange Commission and the Under Secretary of the Treasury for International Affairs, and gave a speech at a major Washington think-tank to update them on the latest developments of the financial sector in Hong Kong.

Looking Ahead

10. As the US economy shows signs of slackening and worries about a looming economic recession grow, economics has moved to the forefront of the political agenda. With the Presidential and Congressional elections coming up in November 2008, it is possible that protectionist sentiments will be on the ascent in the US in the coming months. China, being the largest contributor to the US's trade deficit, will continue to be watched closely. Notwithstanding Hong Kong's healthy economic and trade relations with the US, the Washington ETO will maintain vigilance to guard against any spill-over effects on Hong Kong arising from uncertainties in US-China political and trade relations.

Report on the Work of the New York ETO

The New York ETO promotes economic and trade relations between Hong Kong and the 31 states in the East Coast region of the US through building partnership with major think-tanks and business/professional bodies. Moreover, the ETO maintains its outreach to its interlocutors through e-newsletters and various public relations efforts.

Commercial Relations

2. The New York ETO organised a series of business events and speaking engagements to promote the rule of law in Hong Kong, as well as our strengths as a major financial and trading centre and the gateway to Mainland China and the rest of Asia. Special highlights were given on the 10th Anniversary of the establishment of the HKSAR and the Olympic and Paralympic Equestrian Events in 2007 and 2008 respectively.

3. Since November 2007, the New York ETO assisted eight official/trade delegations to Hong Kong. These include political leaders, state governors, businessmen and prominent academics. We arranged visit programmes for 13 individual visitors from think-tanks, journalists and government agencies, including three sponsored visitors.

4. In November 2007, the Hong Kong Solicitor General addressed an audience from the US business and legal sectors on the successful implementation of the “One Country, Two Systems” principle, the rule of law in Hong Kong and the latest development in Hong Kong legal services. He was the keynote speaker at a symposium co-organised by the Association of the Bar of the City of New York, the Leitner Center at Fordham Law School and New York ETO to commemorate the 10th Anniversary of the establishment of HKSAR, a seminar at Yale University Law School and a briefing for the Hong Kong Association of New York. In May 2008, the Secretary for Financial Services and the Treasury spoke to 80 guests at a seminar on the economic and fiscal conditions in Hong Kong, Hong Kong’s role as the premier financial centre of China, as well as the challenges and opportunities for global financial centres. He met with the top executives of the New York Stock Exchange, the New York Mercantile Exchange and major multinational financial institutions to discuss business opportunities and the recent situation in the international financial markets.

5. During the reporting period, the Commissioner for Economic and Trade Affairs, USA (C,USA) and the Director of New York ETO (D(NY)), visited eight states, namely Arkansas, Connecticut, Georgia, Kentucky, Massachusetts, New Jersey, Ohio and West Virginia to call on Governors and Lieutenant Governors and meet the opinion leaders in the academic, business and political communities to foster economic and trade ties.

Public Relations

6. The New York ETO continues its outreach efforts through various public relations activities across the 31 states in the East Coast region. It hosted spring receptions in New York, Boston, Chicago and Atlanta in February 2008 for its academic, business and media contacts. A mini-exhibition showcasing the upcoming Equestrian Event was also held during the four spring receptions.

7. In one of our initiatives to promote the 2008 Olympics, the New York ETO participated in the Rolex Kentucky Three-Day Event as a corporate sponsor in April 2008. The Event is the top equestrian competition in the US, and selection races were conducted for the 2008 US Olympic Equestrian Team. New York ETO took the opportunity to widely promote Hong Kong's readiness and suitability as an Olympic co-host city.

8. The New York ETO continued its sponsorship of the Hong Kong Dragon Boat Festivals in Miami in May 2008 as part of its public outreach efforts. It also sponsored Hong Kong film shows in the cities of Atlanta and Chicago in February 2008. Moreover, the New York ETO continued to provide information on the latest development in Hong Kong through its electronic newsletter 'Hong Kong Digest' to more than 4,000 contacts of the office.

Investment Promotion

9. The Investment Promotion Unit (IPU) in New York pursued a vigorous investment promotion programme targeted at those sectors on the East Coast and Midwest with high outward investment potential. From November 2007 to April 2008, the IPU met with 219 companies and assisted 13 companies to establish business operations in Hong Kong. The most active sectors were financial services, business and professional services, information technology and telecommunications/media. Interest in consumer retail and sourcing and tourism/ entertainment was also evident. The IPU also took advantage of visits by the senior officials of the Invest Hong Kong to organise promotional events and focused on investment recruitment through high-profile networking meetings with key executives of selected companies.

Looking Ahead

10. The New York ETO will maintain its drive to promote Hong Kong's strengths. To this end, discussion forums and publicity events will be organised. C,USA and D(NY) will continue to visit the East Coast states.

Hong Kong Economic and Trade Office, New York
May 2008

Report on the Work of the San Francisco ETO

The Hong Kong Economic and Trade Office in San Francisco is responsible for promoting the economic and trade interests of Hong Kong, and strengthening economic ties and network between Hong Kong and the 19 states west of the Mississippi River in the United States (US).

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 media in US west to promote Hong Kong as the international financial, trading, logistics, convention and tourism hub, as well as the two-way platform for overseas corporations to access the Mainland market and for Mainland companies to go global.

3. The finale of the San Francisco ETO's celebration series for the HKSAR 10th Anniversary was a large-scale business conference entitled "Bustling HK : the Premier Commercial and Financial Hub in Asia" held in San Francisco in November 2007. The Secretary for Commerce and Economic Development (SCED) was the keynote speaker of the conference attended by some 300 participants. SCED also met with senior officials, business and community leaders, as well as the media in the Bay Area. To explore how government could best facilitate development of the creative industries in Hong Kong, SCED met with Dr Ed Catmull, President & CEO of Pixar Animation Studios, a leading player in the industry of animation.

4. In January 2008, the San Francisco ETO arranged for the Secretary for Environment (SEN) to visit Los Angeles (LA), Sacramento and San Francisco to brief Lt. Governor Garamendi, SEN's counterparts including Secretary Adams of the California Environmental Protection Agency and Mary Nichols, Chair of California Air Resources Board, etc. and think tanks on Hong Kong's new environmental initiatives. SEN also spoke at two luncheons which attracted over 110 senior officials and executives of companies in the environmental protection field in LA and Sacramento. To appreciate the use of renewable energy in California, SEN visited a wind farm in Solano County and a solar panel system in San Francisco downtown.

5. In May 2008, the San Francisco ETO organised another major business conference entitled "HK Financial Summit – Globalization Through Hong Kong's Capital Markets" in Santa Clara featuring the Secretary for Financial Services and the Treasury (SFST) as keynote speaker. The conference was attended by around 300 senior executives and investment bankers. SFST also attended media sessions; gave the faculty and students of Stanford University an economic and financial update on Hong Kong; had a meeting with Gregory Johnson, President & CEO of Franklin Resources Inc, a major US investment company with a strong presence in Hong Kong; and met business and government leaders in San Francisco at a reception hosted by the San Francisco ETO and the Hong Kong Association of Northern California.

6. Apart from receiving government officials, the San Francisco ETO organised speaker luncheons featuring the then President of American Chamber of Commerce in Hong Kong, Mr Jack Maisano; and the Vice-Chancellor of the University of Hong Kong, Professor Tsui Lap-chee, his Pro Vice-Chancellors and several Deans. The ETO also set up a media session for senior delegates from four Hong Kong environment and energy service companies; and facilitated the lecture tour of Hong Kong Distinguished Fulbright Scholar, Professor Vivian Yam, to the University of California, Berkeley; University of California, Los Angeles; and California Institute of Technology. These prominent Hong Kong visitors updated the US audience on the latest developments in Hong Kong on the business, investment, legal, educational and environmental protection fronts.

7. The San Francisco ETO continued to line up visits for US government, business and academic delegations to Hong Kong so that they may see firsthand Hong Kong's latest developments. These include a group of MBA students from the University of Colorado in March 2008; Mayor Tom Leppert of Dallas and his trade delegation in May 2008; and Professor Charles Wolf of RAND Corporation in May 2008.

8. As part of our ongoing efforts to spread the Hong Kong message, the Director of San Francisco ETO (D(SF)) visited key cities in US west to speak to government officials, think-tanks, business communities, academia and media. The cities included Carson City and Las Vegas (Nevada); Seattle (Washington); Santa Fe and Albuquerque (New Mexico); Wichita and Topeka (Kansas); as well as LA and Sacramento (California). D(SF) also conducted talks in renowned universities like the University of California, Berkeley to promote Hong Kong and encourage students to pursue careers in Hong Kong after graduation.

Public Relations

9. In February 2008, the San Francisco ETO hosted a Spring Reception which was attended by some 300 business leaders, senior government officials and consuls-general in the Bay Area. D(SF) highlighted in her address Hong Kong's advantages and achievements; and took the opportunity to promote Hong Kong as a proud co-host city of the Olympic and Paralympic Equestrian Events.

10. To further publicise the Olympic Equestrian Event, the San Francisco ETO collaborated with San Francisco Chronicle to organise a poster design competition in the Bay Area. On the cultural front, the ETO continued to promote award winning Hong Kong movies through international film festivals in various states.

Investment Promotion

11. During the reporting period, the Investment Promotion Unit in San Francisco visited 112 companies and arranged for the executives of 21 companies to visit Hong Kong. The Unit also organised two speaking functions for the Director-General of Investment Promotion in Milpitas (California) in January 2008 and in Irvine (California) in February 2008 to promote business opportunities in Hong Kong.

Looking Ahead

12. The San Francisco ETO is in partnership with NBC, the official US broadcaster of the Beijing Olympics, to promote the Equestrian Event and Hong Kong as a prime destination for international events by releasing a special TV program on Hong Kong and running an online campaign in US from June 2008. A mega promotion officiated by the Chief Executive will be held in downtown San Francisco in June to kick off the national campaign comprising the above TV and online programmes with NBC, newspaper supplements, gala dinners and sponsorship for the 2008 USA Dressage Team Selection Finals.

Hong Kong Economic and Trade Office, San Francisco
May 2008

Report on the Work of the Brussels ETO

The Brussels ETO represents Hong Kong's economic and trade interests in the European Union (EU), European Commission (EC) and European Parliament (EP); and our bilateral relations with 17 countries, namely Belgium, Bulgaria, Croatia, Cyprus, France, Germany, Greece, Italy, Ireland, Luxembourg, Malta, the Netherlands, Portugal, Romania, Spain, Switzerland and Turkey.

Commercial Relations

2. The Brussels ETO works on both multilateral trade negotiations and bilateral commercial relations with the EC, EU Member States and acceding Member States. The 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. The Brussels ETO also maintains a regular dialogue with the EC on various subjects, including bilateral trade issues, customs and other issues.

3. The agreement between the EC and China on the quotas for Chinese textiles exports to the EU expired in end 2007. Exports of Chinese textiles to the EU are no longer subject to textiles quota arrangement. The Brussels ETO will closely monitor the situation and gather information on how the EC and the European textile trade will handle textile issues in future.

4. On 1 June 2007, the regulations concerning the "Registration, Evaluation, Authorisation and Restriction of Chemicals" ("REACH") came into force. These put in place new regulations governing the use of chemicals to protect the environment and human health. The first phase of the implementation, i.e. pre-registration, commenced on 1 June 2008. The Brussels ETO will continue to monitor related developments closely.

Public Relations

5. The Brussels ETO organised Chinese New Year receptions across Europe in February and March 2008. To showcase the cultural facet of Hong Kong during the Chinese New Year receptions, we invited famous Hong Kong jazz guitarist Mr Eugene Pao and three other jazz musicians, to put on a series of jazz performances in a total of nine cities (the Hague, Berlin, Paris, Frankfurt, Brussels, Zurich, Vienna, Budapest and Rome). The response from audiences was overwhelmingly positive.

6. As the finale of our year-long 10th Anniversary celebration activities, the Brussels ETO organised the Hong Kong Food Festival in Paris and Berlin in December 2007 and March 2008 respectively. In both cities, chefs from Hong Kong co-operated with their European counterparts to demonstrate the culinary highlights of Hong Kong in a week-long promotion of Hong Kong cuisine following an opening dinner. We received very positive feedback on both events. As part of the 10th Anniversary celebration activities, the ETO also organised a business seminar in Bucharest in December 2007, which was our first seminar organised in Romania, to promote Hong Kong in this newly acceded Member State of the EU. Other promotional events included the Hong Kong Film Panorama in Barcelona, Madrid and Munich.

7. The Brussels ETO arranged visits to Europe for a number of senior officials to promote Hong Kong and to facilitate further co-operation with the EU. The Secretary for Justice visited Dublin in October 2007, during which an agreement on the surrender of fugitive offenders was signed with Ireland. The Brussels ETO also organised the Chief Executive's visit to the Middle East including Kuwait, Saudi Arabia and the United Arab Emirates in end January 2008. These visits have laid a solid foundation for further collaboration between Hong Kong, Europe and countries in the Middle East in the future.

Investment Promotion

8. The Investment Promotion Unit (IPU) in Brussels was actively involved in Invest Hong Kong's participation in Alacat which was held in Valencia, Spain in September 2007. This was the largest annual meeting worldwide of logistics and transportation firms from the Spanish speaking countries. The Invest Hong Kong provided a keynote speaker to the event, while IPU organised a booth at the exhibition and arranged individual company meetings at the trade fair in Spain for the transportation specialist from Invest Hong Kong head office.

9. The IPU also co-organised a seminar on investing in Hong Kong in Madrid, Spain, in October 2007, with Fortis Intertrust. The seminar attracted some 50 participants and allowed the IPU to relaunch three pending Spanish investment projects.

10. In 2007, the IPU continuously worked towards achieving the completed investment project targets as defined by Invest Hong Kong at the beginning of 2007. The final result of 12 completed projects set a new record for the IPU. At the end of April 2008, the IPU secured six completed projects, against an overall target of 15 for the entire year of 2008.

11. Through marketing initiatives and contacts with firms in the area, the IPU observed that interest from European firms to establish themselves in Hong Kong to cover the Far East and in particular China was as strong as ever. In particular, there has been a surge in interest from southeastern Europe in recent months, with firms from Romania, Bulgaria, Macedonia, Cyprus and Malta.

The Berlin Team

12. Work to secure agreement from the German authorities to the opening of the new Berlin ETO has continued during the period covered by this report. Regular meetings have been held with the relevant Ministries and the latest indications from the German Government was that the Berlin ETO should be ready within the year. A team of officers designated for the Berlin Office has been established and is currently operating from the Brussels ETO. The Berlin Team is responsible for fostering bilateral ties between Hong Kong and Austria, Poland, the Czech Republic, the Slovak Republic, Hungary and Slovenia through visits and various public relations efforts.

Commercial Relations

13. In addition to briefing government officials and trade related agencies, the Berlin Team organised a series of speaking engagements for the business sector to promote Hong Kong's advantages as a major trading centre, an international hub for trade in services, and a gateway to the Mainland markets. Interlocutors in the business, media and political fields were also kept abreast on the latest developments in Hong Kong.

Public Relations

14. During the period covered by this report, a Hong Kong Day was held in Presov, Slovak Republic. Two business seminars were organised jointly with the Hong Kong Trade Development Council (TDC) in Prague, Czech Republic and Wroclaw, Poland. A workshop on doing business in Hong Kong was organised in Ljubljana, Slovenia. The Berlin Team also explored new grounds for promoting the creative industry of Hong Kong through arranging for Hong Kong films to join the Asian Film Festival in Prague.

15. Visits to Hong Kong by senior officials from the governments of Czech Republic, Slovak Republic and Hungary were lined up. The Berlin Team also arranged for the Financial Secretary's visit to Slovenia, Austria and the Czech Republic in May 2008.

16. Chinese New Year events were organised in the countries across Central Europe. At some of the receptions, performances were staged, and works of animation by young and talented musicians and artists from Hong Kong were exhibited.

17. At these PR events, the Berlin Team also promoted the image and developments in Hong Kong, including the Policy Address, the working of the Basic Law, the Olympic Equestrian Event and the Quality Migrant Admission Scheme.

Investment Promotion

18. The Berlin Team continues to work with Invest Hong Kong and TDC to promote investment and trade opportunities in Central European countries, and follow up on enquiries from the new contacts interested in doing business with or through Hong Kong.

Looking Ahead

19. The Brussels ETO will continue to monitor developments in the EU that are of interest to Hong Kong. We will also continue to maintain close contacts with our interlocutors throughout Europe in political, business and media fields on the latest developments in Hong Kong, and organise publicity events to show case Hong Kong.

Hong Kong Economic and Trade Office, Brussels
May 2008

Report on the Work of the London ETO

The London ETO is responsible for promoting Hong Kong's economic and trade relations with nine European countries, namely Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden, the Russian Federation and the United Kingdom (UK).

Commercial Relations

2. The London ETO maintains close liaison with contacts in the governments, business and media sectors in countries under its purview, and update them on the latest developments in Hong Kong through regular exchanges, visits, seminars, etc.
3. The London ETO, with the support of the Hong Kong Trade Development Council and local trade associations, organised a series of business seminars in Helsinki, Malmö and Oslo as part of the Chinese New Year (CNY) programme. We promoted understanding of the business environment and opportunities in Hong Kong and the region, and reached out to new cities.
4. During the reporting period, the London ETO arranged visits for a number of senior officials to promote our bilateral relations and commercial interests. Visiting officials included the Secretary for Security to Russia in November 2007, the Secretary for Education to Finland and Norway in May 2008 as well as the Secretary for Development and the Secretary for Food and Health to UK in May 2008. In addition, the London ETO assisted the visit of the Legislative Council Panel on Food Safety and Environmental Hygiene to the UK in March 2008.

Public Relations

5. The London ETO supported and organised major PR and promotional events during the reporting period to raise the profile of Hong Kong. These included a Hong Kong Film Season in Norway (November to December 2007); annual CNY receptions in 10 cities (February-March 2008); two art exhibitions by Hong Kong artists in Brighton and Manchester (February-June 2008); and the NATFilm Festival in Denmark (March-April 2008). A highlight of the period was the UK tour of the Hong Kong Chinese Orchestra, which was part of the 'CHINA NOW' and was supported by the London ETO. The Orchestra performed in the Royal Festival Hall in London, the Bridgewater Hall in Manchester, the Birmingham Town Hall and the Sage Gateshead from 14 to 19 March 2008. The concerts attracted over 3,500 concert-goers and were very well received.
6. To promote Hong Kong as a Beijing Olympic Games' co-host city, the London ETO prepared and sent out an equestrian Olympic-themed E-Christmas cards, and commissioned and installed four 5m-high blade flags promoting the Equestrian Event in Trafalgar Square at the London CNY Parade. At the same time, the ETO, along with Hong Kong Tourism Board (HKTB), arranged a showing of a DVD advert, incorporating HKTB's promotional clip and a slide show highlighting (in addition to Hong Kong-themed events in the UK) the Equestrian Olympics. Publicity materials on the Equestrian Event such as exhibition panels and banners were displayed at the functions organised by the London ETO and the Director General of London ETO made special mention of the Equestrian Event on various occasions.

7. During the reporting period, five sponsored visitors from the UK, Sweden and Finland visited Hong Kong to receive briefings on the latest developments in Hong Kong and to see the city first hand. Furthermore, a total of 10 sponsored journalists visited Hong Kong, in two separate equestrian-themed visits from the UK, Sweden and Norway, and a security-themed visit from Russia.

8. The London ETO produced two issues of the newsletter 'Hong Kong Review' to keep our contacts updated on Hong Kong's developments. These newsletters were supplemented by e-mail alerts on important news about Hong Kong.

Investment Promotion

9. The Invest Hong Kong co-hosted a business seminar with Fujian Provincial Department of Foreign Trade and Economic Cooperation in Birmingham in April 2008. Moreover, the Investment Promotion Unit in London successfully assisted 32 companies to set up in Hong Kong in 2007, up from 25 companies in 2006. The Unit continues to promote the inward investment into Hong Kong vigorously by participating in seminars organised by the London ETO and outside organisations. The Unit also organises visit programmes for senior officials of the Invest Hong Kong to meet business executives of the companies with an interest in operating in Hong Kong.

Looking Ahead

10. The London ETO will further step up its work in major UK cities, Russia and the Nordic countries. Hong Kong's creativity, arts and culture will be given prominent attention in the UK in the summer. In June, a high profile "Creative Hong Kong in London" will be held comprising an exhibition of Hong Kong design at the Design Museum and a display of ten exclusive products at Harvey Nichols and a forum at the London Business School. The work of some of Hong Kong's famous artists will be displayed in London, Manchester, Leeds and Tyne and Wear. Adding a cultural touch to these events is the London Hong Kong Dragon Boat Festival sponsored by the London ETO in June 2008. In addition, the bilateral relations and commercial interests between Hong Kong and the Russian Federation as well as the UK will be further strengthened by the visit of the Secretary for Financial Services and the Treasury to Russia, and the visits of the Secretary for the Environment and the Secretary for Constitutional and Mainland Affairs to the UK in the coming few months. We shall continue to promote the Olympic spirit, the Equestrian Event and Hong Kong as a co-host city.

Hong Kong Economic and Trade Office, London
May 2008

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 (Korea).

Commercial Relations

2. The Tokyo ETO continued to foster Hong Kong's commercial relations with Japan and Korea through actively engaging politicians, government officials, business leaders, academics, think tank leaders and opinion formers in the two countries, and keeping them informed of the political and economic situations in Hong Kong. In addition to activities in Tokyo, the Principal Hong Kong Economic and Trade Representative, Tokyo (PRT) also conducted 15 duty visits to regional cities in Japan and Korea during the reporting period to promote closer ties with Hong Kong.

3. Business promotion seminars with audience sizes of about 130-150 were organised by the Tokyo ETO at Nagoya in Japan and Daejeon in Korea. Smaller scale exchange sessions, each targeting 30-50 senior government officials and business leaders, were held at cities such as Kagoshima, Miyazaki, Tokushima and Jeju. Hong Kong's unique strengths as an international financial, business and aviation centre, opportunities that Hong Kong offered to Japanese and Korean businesses, including benefits under CEPA and the Pan-Pearl River Delta Region Cooperation Forum, were highlighted on these occasions.

4. Tokyo ETO also organised a number of general promotion events to raise the profile of Hong Kong and to brief the audience on our latest developments. These include a dinner gathering in Seoul and a lunch reception for Chinese professors in Japan, both held soon after the announcement of the Budget. Tokyo ETO also worked closely with other Hong Kong institutions on events such as the seminar on "Evolving Hong Kong" organised by the Hong Kong Trade Development Council (HKTDC) in Tokyo, and various travel trade seminars arranged by the Hong Kong Tourism Board (HKTB) in regional cities in Japan. To promote Hong Kong as an education hub, ETO officers also gave several lectures to university students in Tokyo and Seoul.

5. To enhance understanding of Hong Kong, VIPs in Japan and Korea were invited to visit Hong Kong under the Sponsored Visitors' Programme. Tokyo ETO also facilitated the visits by a number of Japanese and Korean delegations to Hong Kong by lining up appointments with relevant Government and non-government parties in Hong Kong. Since November 2007, the ETO has helped to arrange visits to Hong Kong by eight politicians and four senior officials, among other people, from the two countries.

6. The Tokyo ETO assisted in arranging the visit programmes of 11 delegations from Hong Kong to Japan and Korea, including visits by the Chief Secretary for Administration (CS) in January 2008 and the Secretary for the Environment (SEN) in November 2007. The CS met top business leaders at a gathering hosted by the Japan Business Federation, and briefed them on the economic opportunities available for Japanese companies in Hong Kong. He also gave an overview of Hong Kong's development since 1997 to over 100 members of the Chinese/Hong Kong communities in Japan at a Lunar year-end reception. Separately, SEN shared his vision on environmental protection with over 100 business leaders and corporate managers from the Japan Association of Corporate Executives at a luncheon seminar organised by the Tokyo ETO.

Public Relations

7. The Tokyo ETO held a number of PR activities to publicise Hong Kong as an Olympic co-host city. In February 2008, a promotional booth with exhibition panels highlighting Hong Kong's hosting of the 2008 Olympics Equestrian Event, was set up at the Tokyo Marathon. A similar exhibition was staged at all recent functions held by our office in Japan and Korea. To spread this message to the Japanese equestrian community, the Tokyo ETO will sponsor the 54th annual international dressage competition organised by the Tokyo Riding Club on 6-8 June, in which one of the most prestigious competition events will be named "Hong Kong Cup" and a reception will be hosted for members of the Japan Olympic Committee and the Japan Equestrian Federation.

8. When agreement was reached between HKSAR and Japan to lift capacity limits on air services between Hong Kong and regional cities in Japan in January 2008, the ETO organised a press conference, with participation of the Hong Kong Airport Authority, the HKTDC, the HKTB and Hong Kong-based airlines, to brief the Japanese media and travel trade on the resultant business opportunities. PRT also took the opportunities of her duty visits to Okinawa, Kagoshima and Miyazaki to publicise the same and to encourage local government and business leaders to make full use of the direct flight links to further strengthen economic ties with Hong Kong for mutual benefit.

9. During the reporting period, CS and SEN gave press interviews to major national newspapers, updating them on the latest political and economic developments in Hong Kong, and our anti-pollution measures respectively.

10. On the cultural front, Tokyo ETO is preparing for the second Hong Kong Cup All Japan University Students English Speech Contest, the publicity for which was started in May at all universities in Japan. Tokyo ETO will also continue to sponsor the annual international dragon boat race in Yokohama.

Investment Promotion

11. During the reporting period, the Investment Promotion Unit conducted three company visit programmes targeted at the telecommunication, media and multi-media, as well as technology and transportation industries. A business seminar on supply chain management was organised in Tokyo. Since November 2007, the Unit has assisted 10 Japanese companies to set up offices or expand operations in Hong Kong.

Looking Ahead

12. The Tokyo ETO will continue to publicise Hong Kong's strengths and foster bilateral relations with both Japan and Korea. In addition, we will conduct focused promotion activities covering, for example, Hong Kong's attractions as a destination for Japanese tourists, our strengths as an asset management centre, the advantages of hosting large-scale conventions in Hong Kong, and our interest in attracting talent to live and work in Hong Kong.

13. We will also closely monitor the political and economic developments in Japan and Korea and assess any impacts on Hong Kong.

Report on the Work of the Sydney ETO

The Sydney ETO is responsible for promoting Hong Kong's economic and trade relations with Australia and New Zealand.

Commercial Relations

2. Following the Australian Labor Party's success in the federal election in November 2007, the Sydney ETO has since taken proactive steps to establish contact with the new Federal Government, emphasising Hong Kong's role as an important trade partner of Australia; our long established government-to-government relationship; our high degree of autonomy under the "One Country, Two Systems" arrangement and the continuous importance of Hong Kong as a base for Australian businesses to explore the markets in China and the Asia Pacific region. The Sydney ETO also monitored closely any policies introduced by the new Federal Government, particularly on the trade and economic front, which might affect Hong Kong.

3. Following the signing of the China and New Zealand Free Trade Agreement (FTA) in April 2008, the Sydney ETO conducted a comprehensive assessment of the potential impact of the FTA on Hong Kong as a gateway to China after consultation with interlocutors in the business and commercial sectors in New Zealand. Separately, we will continue to monitor the progress of the negotiation on the FTA between China and Australia.

4. The 2008/09 Budget has presented new opportunities for Australian businesses, in particular the wine duty exemption. Apart from arranging briefings, interviews and press articles, we visited wine exporter organisations in Australia and New Zealand to encourage them to make use of the opportunity to explore or expand their overseas market in Hong Kong and explain to them the potential of Hong Kong as a wine trading and distribution centre.

Public Relations

5. The 2008 Olympic Equestrian Event was a major theme of the promotional activities of the Sydney ETO in this period. At the seven annual Chinese New Year Receptions held in major cities in Australia and New Zealand, panel displays on the Olympic Equestrian Events were mounted. The ETO also sponsored three major Equestrian Events in Adelaide, Sydney and Melbourne in April 2008. Apart from speeches and trophy presentations, we contributed articles and placed advertisements in the event programme brochures and on organisers' websites. In New Zealand, we mounted a horse-and-rider lantern in the popular Lantern Festivals in Auckland and Christchurch held in late February and early March.

6. The Sydney ETO also made arrangements for Australian equestrian journalists to visit Hong Kong under the sponsored journalists programme of the Information Services Department, highlighting Hong Kong's meticulous planning and world-class facilities. Articles on Hong Kong's preparation of the Equestrian Event were published in the equestrian magazines after their visits.

7. On cultural promotion, the ETO co-presented a Hong Kong movie with the Sydney Film Festival during the Chinese New Year. We are also preparing a series of Hong Kong film segments as part of the international film festivals in major cities of Australia and New Zealand from June to August 2008 and February 2009.

8. On talent attraction, the Sydney ETO participated in the career fair of Macquarie University in Sydney in April 2008 and distributed reference materials on the various talent admission schemes and the Working Holiday Scheme.

9. We continued with our efforts to update Australians and New Zealanders regularly on the latest developments and investment opportunities in Hong Kong. Apart from publishing our bi-monthly newsletter 'Hong Kong Monitor', we also contributed regular updates on Hong Kong to various business magazines and newsletters.

Investment Promotion

10. The Investment Promotion Unit (IPU) continued to identify and assist potential Australian and New Zealand companies to establish or expand their business presence in Hong Kong. In this period, special efforts were made to identify wine producers and other related industry companies who plan to take advantage of our Budget initiative.

11. Since November 2007, the IPU has generated 10 new projects and completed seven projects, resulting in six Australian companies and one New Zealand company setting up businesses in Hong Kong.

Looking Ahead

12. The general election in New Zealand is expected to be held in 2008. The Sydney ETO will closely monitor the policy directions of the new government, particularly in areas which might impact on Hong Kong. We will also look for new opportunities that can showcase the vibrancy of Hong Kong as a trade and financial hub in the region, an important gateway to China and a world events capital. On investment promotion, we will target sectors such as telecommunications and multimedia, business and professional services, technology (especially biotech and electronics), financial services, information technology, trade-related services, transportation and logistics, tourism and entertainment and regional headquarters. In addition, joint investment promotional activities with Guangdong Province and the Foshan Municipality will be organised in Sydney and Melbourne respectively in August 2008.

Hong Kong Economic and Trade Office, Sydney
May 2008

Report on the Work of the Singapore ETO

The Singapore ETO is responsible for promoting Hong Kong's economic and trade relations with the 10 member countries of the Association of South East Asian Nations (ASEAN)³. It also serves as a point of liaison with the secretariats of the Asia-Pacific Economic Cooperation (APEC) and the Pacific Economic Cooperation Council (PECC).

2. From November 2007 to May 2008, the Singapore ETO organised various business and trade related events to showcase Hong Kong's advantages under the "One Country, Two Systems" concept, its pro-business environment and positioning as Asia's world city as well as the gateway to the Mainland. We assisted in arranging visits by senior officials to the region, including the visits to Singapore by the Permanent Secretary for Commerce and Economic Development (Communications and Technology) in November 2007; by the Secretary for Home Affairs and by the Permanent Secretary for Food and Health (Food), both in March 2008; and by the Chief Executive in May 2008. Outside Singapore, these included visits to Vietnam by the Secretary for Financial Services and the Treasury in November 2007; and to Thailand by the Secretary for Commerce and Economic Development in April 2008.

3. We 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

4. The Singapore ETO maintains close contact with governments, embassies, chambers of commerce, as well as trade and business organisations in the region. We organise and attend regularly economic and trade related seminars, workshops and conferences. We closely monitor trade and economic developments in the region, including the rice supply issue and the network of bilateral free trade agreements.

5. The Singapore ETO organised and participated in various seminars to promote Hong Kong's favourable business environment, including the advantages brought by CEPA and the Pan-Pearl River Delta Region Cooperation Forum.

6. Budgetary measures to enhance Hong Kong's competitiveness provided a main theme for promotion. We also publicised Hong Kong's appeal as a MICE (Meetings, Incentive Travels, Conventions and Exhibitions) hub by highlighting key events in Hong Kong such as the Asian Aerospace International Expo and Congress.

7. The Singapore ETO continues to actively promote awareness of the Capital Investment Entrants Scheme and the Quality Migrant Admission Scheme in the region.

³ ASEAN member countries include Brunei Darussalem, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Public Relations

8. We promoted Hong Kong's role as a co-host city of the Beijing Olympic and Paralympic Games through speaking engagements, displaying exhibition panels and banners, and handing out souvenirs during functions. The Singapore ETO arranged a full page advertisement in Singapore's 'The Straits Times' during the visit by the Chief Executive. Sponsorship was provided to Singapore's MediaCorp to visit Hong Kong for a special TV feature in both English and Chinese channels in May 2008.

9. The Singapore ETO continues to showcase Hong Kong's advantages to our interlocutors in ASEAN countries. Promotional events covering topics such as the Budget Speech, CEPA, "9+2", and investment and listing opportunities were launched during the period.

10. On the cultural front, the Singapore ETO sponsored and supported the Kowloon Club in Singapore to take part in the annual Chingay Festival during Lunar New Year, featuring a small-size replica of the Cheung Chau Bun Tower. The Brand Hong Kong logo was prominently featured on the structure. Frisbees bearing the schedule of 2008 Olympic and Paralympic Equestrian Event were widely given out to Singapore residents and tourists watching the parade.

Investment Promotion

11. When the Director-General of Investment Promotion visited Singapore with senior officials of Huizhou in March 2008 to stage a joint investment promotion (IP) event, the Singapore ETO was a co-organiser. An IP forum and a meet-the-media session were arranged to highlight the advantages of Hong Kong and Huizhou.

12. The investment promotion team continues to spearhead IP activities in the region to promote Hong Kong as a favourable investment destination. In 2007, the team met Invest Hong Kong's target for the completion of 10 projects in setting up business in Hong Kong.

Looking Ahead

13. Singapore will be the host of APEC 2009. The Singapore ETO will be heavily involved in supporting Hong Kong delegations visiting the country for the meetings.

14. In the coming year, the Singapore ETO will further promote Hong Kong and strengthen Hong Kong's economic and trade relations with the ASEAN. We will foster closer ties with the "Hong Kong Inc" in the region to promote Hong Kong as the business gateway for the Mainland market, as a premier tourist destination, as well as a MICE destination.

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. The Toronto ETO continued to reach out to political leaders, government officials, business associations, professional groups and think tanks to promote Hong Kong as the leading international city and financial centre that could help Canadian businesses establish or expand their presence in Asia. During the reporting period, the Director of Toronto ETO made trips to various provinces and cities across Canada to call on mayors and other prominent community/business leaders, updating them on Hong Kong's latest development and the opportunities for Canadian businesses. They included Mayors of Vancouver, Montreal, Victoria, Calgary, and Edmonton; policy advisers to the Ministers and parliamentary secretaries; the Canada Hong Kong Parliamentary Friendship Group; the executive directors of the Fraser Institute and the Asia Pacific Foundation of Canada; and the heads of the Canadian Chamber of Commerce and the Ontario/Toronto/ Montreal/Vancouver Board of Trade.

3. In November 2007, the Toronto ETO hosted a business seminar where the Secretary for Commerce and Economic Development addressed an audience of over 200 business leaders in Toronto. At another seminar organised in Montreal in January 2008, the Director-General of Investment Promotion spoke to over 100 senior executives from various business sectors on how Canadian businesses could expand their presence in Asia by using Hong Kong as a platform.

4. During the reporting period, assistance was provided to 22 official and trade delegations and individual visitors to Hong Kong, including sponsored visitors and journalists. Meetings and visits were lined up for them to receive detailed briefings and see for themselves the latest developments in Hong Kong. The post-visit feedback was most positive. Many of them delivered public speeches afterwards at various forums on their impressions of Hong Kong, and urged their audience and government to take more proactive actions in taking advantage of the opportunities available. For example, the Chairman and CEO of the Canadian Council of Chief Executives, upon his return, spoke to Members of the Parliament and other prominent community and business leaders at a parliamentary breakfast seminar on Parliament Hill in Ottawa on the importance of factoring Hong Kong into the country's China trade formula. The CEO of the Canadian Chamber of Commerce also urged the Ontario Government to increase its profile and activities in Hong Kong. Very favourable articles on their experience in and impressions of Hong Kong were also written by the returning journalists and were published in various English and French papers and on-line news in Canada.

5. In an effort to attract overseas talents to Hong Kong, the Toronto ETO organised the 6th annual Hong Kong – Canada Career Video Conference in March 2008, covering Toronto, Vancouver, and Montreal and attracting attendance by over 600 young Canadians and Hong Kong students studying overseas. The Conference, with speakers from some of the growing industries in Hong Kong like the hotel, design and financial services sectors, as well as the President of the Hong Kong Institute of Human Resource Management and the Government Economist, enabled the audience to obtain first-hand information on the latest economic and market situation in Hong Kong and the opportunities available in various sectors. Career exhibitions were also staged at a number of universities and talks on career opportunities, including recruitment for Administrative Officers in HKSARG, were also held. A lot of interest was generated as a result of these promotion activities.

Public Relations

6. One of the main focuses of our promotion efforts during this period was the Olympic Equestrian Event to be held in August 2008. We staged exhibitions on the equestrian games at many events hosted by the ETO and/or community groups. Other promotion activities, including a nationwide publicity campaign through two leading publications and a website on horses, were also jointly organised with the Hong Kong Tourism Board (Toronto).

7. Various activities were held to showcase Hong Kong's achievements, cultural diversity and its many different facets. To promote our creative industries, film events cum lecture series and exhibitions on Hong Kong's design industry were arranged. The highlight was a Chinese classical music performance organised in Montreal in April 2008. The event had successfully enhanced Hong Kong's profile in Montreal, attracting well over 600 attendees, including the Mayors of Montreal and Brossard, members of federal and provincial parliament and many business/community leaders.

Investment Promotion

8. The Investment Promotion Unit (IPU) in Toronto continued its efforts to reach out to Canadian companies in targeted sectors such as information technology, communications, business and financial services industries. During the reporting period, the IPU visited about 100 companies across Canada, providing them with information and assistance in setting up offices or regional headquarters in Hong Kong.

Looking Ahead

9. The Toronto ETO will continue to promote the business opportunities in Hong Kong, especially in connection with the policy initiatives set out in the Policy Address and the Budget. We will strengthen our promotion in attracting more talents to work in Hong Kong. If there is a federal election in the near future, we will monitor any new policy directions of the ruling party that may have direct or indirect impacts on Hong Kong.