

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

**Report 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 HKSAR in Beijing and the Hong Kong Economic and Trade Offices in Guangdong, Shanghai and Chengdu between June 2006 and October 2007. Details of the work of these four Mainland Offices are set out in Annexes 1 to 4.

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Mainland Liaison Affairs Office
Constitutional and Mainland Affairs Bureau
November 2007

**Report on the Work of
the Office of the Government of the Hong Kong
Special Administrative Region in Beijing**

The main functions of the Office of the Government of the Hong Kong Special Administrative Region in Beijing (BJO) are (a) to enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSARG) and the Central People's Government (CPG) and Mainland authorities in the 15 provinces/ municipalities/autonomous regions¹ under its coverage, (b) promote Hong Kong in general and particularly over economic and trade relations with the respective provinces/municipalities/autonomous regions, (c) handle immigration related matters, and (d) provide assistance to Hong Kong residents in distress.

Liaison with CPG, Mainland Authorities and HK Fraternities

2. During the report period, BJO continued to maintain close liaison with the Mainland authorities. In particular, BJO made special calls on the local governments of 14 provinces/municipalities/autonomous regions. We successfully secured their support and assistance for the roving exhibition to celebrate the 10th Anniversary of the HKSAR lasting from September to November 2007. These meetings also provided the opportunity for BJO to brief Mainland officials on the latest developments in Hong Kong and to foster closer working relationship.

3. BJO also provided regular reports to bureaux and departments to enable them to better understand the policies and developments in the Mainland and to evaluate their possible implications on Hong Kong.

4. BJO arranged calls and provided efficient logistics support to visiting officials from Hong Kong. During the report period, such visits included the Chief Executive's (CE) three visits to Beijing (December 2006, April 2007, June 2007), CE's attendance at the Expo Central China in Hunan (September 2006), the Expo Central China in Henan and meetings with the governors of the six provinces in central China (April 2007), Financial Secretary's visits to Beijing (January and August 2007), and Secretary for Justice's attendance at the 7th China Law Year's Forum in Ningxia (September 2007).

5. When senior officials from Hong Kong visit Beijing, the BJO arranges for them meetings with Hong Kong people working or residing in Beijing. Meetings were arranged for the then Permanent Secretary for Constitutional Affairs (November 2006); Commissioner, ICAC (January 2007), Secretary for Commerce, Industry and Trade (April 2007); and Secretary for Financial Services and the Treasury (May 2007). These meetings not only offered updates on Hong Kong to the participants, but also provided a platform for direct exchanges on matters of common concern.

¹ 15 provinces/ municipalities/autonomous regions under BJO's coverage are Beijing, Tianjin, Hebei, Henan, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu, Ningxia, Qinghai and Tibet.

Economic and Trade Relations

6. To facilitate Hong Kong businessmen in tapping business opportunities in the Mainland, BJO organises visits by various delegations to different provinces/municipalities/autonomous regions. Visits organised last year included a delegation comprising 80-people to Liaoning in January 2007; and a delegation to Shanxi to participate in the Taiyun International Coal and Energy New Industry Expo in September 2007. BJO also assisted in organising the delegations led by the Secretary for Financial Services and the Treasury to Hunan and Beijing in September 2006 and May 2007 respectively.

7. BJO actively facilitates the effective exchange, discussions and cooperation between the HKSARG 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). New liberalisation measures under the CEPA Supplement IV announced in June 2007 were promoted through the newsletter of the Hong Kong Chamber of Commerce in China (HKCCC). BJO participated in the discussion session on CEPA co-organized by the Ministry of Commerce and HKCCC.

8. The North China Investment Promotion Unit (IPU) and “Invest Hong Kong Service Centre” of the BJO was established in 2006. It liaises with potential investors from the Mainland, and provides those who are interested in investing in Hong Kong with timely and comprehensive assistance and consultation services. IPU visited 629 companies and generated 68 prospective and 55 live projects, completed 27 projects in its first year of operation. The IPU also participated in 15 fairs and exhibitions, attended and/or organised seminars, briefing sessions and workshops.

9. The 11th Beijing-Hong Kong Economic Cooperation Symposium was held in November 2007. The focus was on further economic cooperation and experience sharing in urban planning and management, provision of municipal services, etc. BJO will continue to facilitate the dialogue between the two governments.

Promotional activities

10. A series of activities were organised to celebrate the 10th Anniversary of the Establishment of the HKSAR:

(a) HKSAR "A Decade of Achievements" Exhibition

The exhibition, held at the Capital Museum from 27 June to 17 July 2007, presented the achievements of Hong Kong on various fronts: cooperation with the Mainland, economic development, commerce, logistics, tourism, culture, sports, environmental protection and future developments. It attracted almost 120,000 visitors. The highest echelon of the CPG, including all members of the Standing Committee of the Political Bureau of the Communist Party, visited the exhibition on the first day.

(b) Roving exhibition

Beginning mid-September 2007, a roving exhibition is staged in the 15 provinces/municipalities/autonomous regions covered by BJO. The roving exhibition highlights the successful implementation of “One Country, Two Systems”; close cooperation of the HKSAR with the Mainland; HKSAR’s achievements; and the preparation for the Equestrian Events of the 2008 Olympics.

(c) Media

BJO cooperates with the China National Radio's "Voice of Huaxia" channel to produce the weekly "Beijing-Hong Kong Through Train" and "Tuning in for Hong Kong" programmes, which are broadcast in Southern and Northern China. A dedicated website on the 10th Anniversary of the Establishment of the HKSAR is set up in cooperation with People's Daily Online.

(d) Cultural exchanges

BJO sponsored four modern dance troupes to perform in Beijing in July 2007. BJO also organised two Cantonese Opera performances and an exchange session in October 2007. These activities enabled the Mainland audience to better understand Hong Kong's art and cultural scene.

BJO's promotion work reaches out to a wider spectrum of audience through our supporting the activities of the Hong Kong fraternity, such as the HKCCC, the Hong Kong Trade Development Council, the Hong Kong Tourism Board and Hong Kong students studying in Beijing. Examples include the "10th Anniversary of Reunification, Harmony and Business Opportunities" event organised by HKCCC, the launching of the "Hong Kong in the eyes of 10-year old reporters" and campus events organized by Hong Kong students.

Immigration-related matters and assistance rendered

11. Immigration matters handled by BJO include processing applications for entry to Hong Kong, conducting negotiations on visa-free access with foreign diplomatic missions in Beijing, handling enquiries on immigration matters, and providing practical assistance to Hong Kong residents who have lost their documents or encountered personal safety problems in the Mainland². Between July 2006 and August 2007, 8,536 entry applications were processed, 22,045 enquiries were handled and assistance was rendered to 276 cases relating to personal safety. Requests for assistance regarding cases other than those relating to personal safety amounted to 196 for the same period. 555 general enquiries about Hong Kong were also handled.

Looking ahead

12. Beijing will be the host city for the 29th Olympic Games. In parallel with the many related activities surrounding the Games, BJO will continue our work in the 15 provinces/ municipalities/autonomous regions, particularly with respect to the governments of the three North-Eastern provinces and the Bohai Sea Rim Economic Circle³. We will monitor relevant new policies and initiatives in relation to the development of the region.

13. We shall continue to organize missions, particularly those for the promotion of the professional services sectors.

² Except Guangdong, Guangxi, Fujian, Jiangxi, Hainan, which are under the ambit of the Guangdong ETO.

³ Bohai Sea Rim Economic Circle comprises Liaoning, Shandong, Hebei, and Tianjin.

14. To facilitate access to information via the internet, we are planning to take up a regular space in the People's Daily Online. We will also maintain close contacts with the Hong Kong fraternities in Beijing. Besides liaison with the business community, mainly through the HKCCC, BJO will enhance communication with the Hong Kong students studying in Beijing .

Beijing Office
November 2007

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

1. During the period, we continued to strengthen our ties with the provincial and municipal authorities in Guangdong, Fujian, Jiangxi, Guangxi and Hainan. We co-organised a special TV variety show programme in March 2007 with the Hong Kong and Macao Affairs Office (HKMAO) of the five provinces/region in Guangzhou. The show was jointly produced by Guangdong TV and HKTVB and was well received by the 3000-strong audience. The show was later broadcast in the Mainland and Hong Kong. This is the first of a series of TV programmes to be organized each year in a province/region on a rotational basis. The second in the series will be held in Fujian in March 2008.

2. To celebrate the 10th Anniversary of HKSAR and to promote the image of Hong Kong, a roving exhibition was launched in nine major cities in the five provinces/region during June to September to publicize the latest development of Hong Kong and the successful implementation of “One Country, Two Systems” principle and the Basic Law. The exhibition was carried out through collaboration with local governments. Hong Kong team members stationed in Guangzhou, including the Trade Development Council, Hong Kong Productivity Council, Hong Kong Tourism Board etc, also took part in the exhibition to promote their services in the Mainland. In addition, a cultural performance night will be organized in November in collaboration with Guangdong Department of Culture, Guangdong TV and HK ATV.

3. Hong Kong business organisations stationed in the provinces/region and trade associations are our valuable working partners. We work closely together to provide better services to Hong Kong businessmen and assist them in looking for investment opportunities in the Mainland. The fourth joint party of Hong Kong enterprises operating in Guangdong was organized in November 2006 in Zhongshan, which was attended by over 1000 Hong Kong businessmen.

4. In the past year, we continued to provide logistical support to the Expert Groups under the Pan-Pearl River Delta Forum, the Hong Kong/Guangdong Cooperation Joint Conference and CEPA when meeting in Guangdong. With the growing economic relation between Hong Kong and the Mainland in recent years, we have assisted government departments both in Hong Kong and the Mainland in planning and coordinating a number of mutual visits by senior officials of the two sides.

Commercial Relations

5. The Hong Kong Economic and Trade Office in Guangdong (GDETO) continued its effort in providing Hong Kong enterprises with a wide range of services to facilitate their business development in the Mainland. The weekly Guangdong ETO Newsletters provided the latest information on economic and trade-related development and activities in our service boundary. Also more than 10 publications/leaflets were produced to provide handy reference on such aspects as CEPA, lists of investment advisory/service agencies for Hong Kong enterprises.

6. GDETO organized more than twenty activities which aimed at promoting the business development of Hong Kong enterprises in the Mainland and enhancing their understanding of relevant rules and regulations. These activities covered a variety of topics of concern among Hong Kong businessmen, e.g. environmental protection measures, mainland tax policies, labour contract law etc. We have also co-organized with the Law Society of Hong Kong a series of *Hong Kong Value-Added Professional Legal Services – Practice Promotion Roadshow* in order to assist the legal sector in Hong Kong to tap the Mainland market.

7. We also organized several study missions to assist Hong Kong businessmen to understand the investment environment in the Mainland. Among these, the Secretary for Commerce, Industry and Technology and Chairman of the Federation of Hong Kong Industries led a delegation to visit Shantou, Heyuan and Meizhou cities from 15 to 17 March.

8. The Financial Secretary and the SCIT attended the Boao Forum for Asia Annual Conference 2007 held on 20 and 21 April 2007. GDETO assisted in FS and SCIT's meeting with Mr. Wei Liucheng, Secretary of the CPC Hainan Provincial Committee, and the organization of the *Hainan – Hong Kong Economic and Trade Seminar* which introduced the economic development of Hainan to representatives of the Hong Kong business delegation.

9. 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 included processing trade policy adjustment, arrangements on exports of textiles products, Labour Contract Law (Draft), policy on recall of toys etc.

Investment Promotion

10. Contacting, attracting and assisting Mainland enterprises from Fujian, Jiangxi, Guangdong, Guangxi and Hainan to invest in Hong Kong is one of the major foci of work of the GDETO. GDETO promotes the positive image of Hong Kong and preaches that Hong Kong is the ideal platform for Mainland enterprises to expand their businesses and to enter into the global market.

11. To carry out the task, GDETO has built up and maintained strategic working relationship with relevant local government departments and more than 30 local trade and industrial organizations. These strategic partners would refer their contacts or members to us for assistance if they are interested in investing in Hong Kong.

12. In the past sixteen months, GDETO conducted over 380 meetings with Mainland enterprises and provided advice and assistance to them for setting up a presence in Hong Kong. Furthermore, GDETO organised or co-organised a total of 16 investment promotion activities such as seminars, experience sharing sessions and round table meetings etc in ten cities namely Guangzhou, Shenzhen, Foshan and Zhuhai, Dongguan and Huizhou of Guangdong; Fuzhou and Xiamen of Fujian; Nanning of Guangxi; and Nanchang of Jiangxi. We were also involved in organizing an investment study mission for Guangdong enterprises to Hong Kong in December 2006. Apart from that, we sent representatives to give talks in the seminars organized by different bodies in the region and participated in local trade and investment events such as the 10th & the 11th China International Fair of Investment and Trade in Xiamen,

Fujian in September of 2006 & 2007 and the 3rd China-ASEAN Expo in Nanning, Guangxi in October 2006.

Assistance to Hong Kong Residents

13. The Immigration Division of GDETO (the Division) has commenced its operation since 1 April 2006 to provide practicable assistance to Hong Kong residents in distress in areas within the coverage of GDETO. During the period, 187 in-distress cases were received.

14. In collaboration with the Hong Kong Federation of Trade Unions (“FTU”), GDETO had published an Information Booklet entitled “港人內地生活小百科” providing general information to Hong Kong residents living or traveling in the Mainland. Over 500,000 copies had been distributed free of charge to the general public in Hong Kong and in the Mainland through various distribution channels.

15. GDETO has established notification arrangements at the operational level regarding serious traffic accidents with the relevant Mainland authorities of the five provinces/region within its coverage. Notification will be made to the GDETO any traffic accidents which involve death or hospitalization of Hong Kong residents. Practicable assistance for the victims and their families could be readily provided as and when required.

16. GDETO also handles cases other than those concerning personal safety. A total of 94 cases on economic and trade-related matters and 86 cases about real estate and land compensation issues were handled during the period, mainly by making referrals to and following-up on the cases with the relevant Mainland authorities.

Public Relations

17. CE and various Principal Officials’ frequent visits to the Mainland had provided opportunities to foster government-to-government connections. The highlights of such visits fell on CE’s visit to Nanchang and Jiujiang, SCIT’s visit to Shantou, SCA’s visit to Guangzhou, FS’s visit to Xiamen and CS’ visit to Guangzhou and Shenzhen. Media plans were coordinated to facilitate local and Hong Kong media to cover the visits.

18. SCA officiated at a reception on 26 June in Guangzhou to kick-off a series of activities for celebrating HKSAR’s 10th Anniversary. About 400 guests from the five provinces/region attended.

Looking Ahead

19. Apart from forging closer business links between Hong Kong and the provinces/region, we will endeavour to promote regional cooperation, with a view to achieving a balanced and sustainable development for all concerned. We will closely monitor the development of policy adjustment to processing trade, particularly, in assisting Hong Kong enterprises in Guangdong to transform and upgrade to meet with new challenges brought up by the adjustment. Taking into account the varied potential and economic development of the provinces/region, we will continue our work by emphasizing on investment promotion activities that are meant for yielding more immediate results for Guangdong and Fujian, whilst emphasizing on

development work with a view to laying the groundwork for future cooperation for the rest of the provinces/region.

Hong Kong Economic and Trade Office in Guangdong
November 2007

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

To further promote exchanges and co-operation between the HKSAR and the eastern region of China, the Chief Executive announced in his Policy Address on 12 October 2005 the plan to set up a new office in Shanghai. With the approval of the State Council, the Shanghai ETO was formally established on 6 September 2006. The office covers the Yangtze River Delta (YRD) Region and its peripheries, i.e. the Municipality of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Hubei.

Commercial Relations

2. The Shanghai ETO has already established an extensive liaison network with government departments and related organisations concerned with economic and trade affairs in the YRD Region. The office supported and participated in various major trade and investment promotion events organised by provincial and municipal governments in the region, such as the Investment and Trade Expo 2007 Anhui China in May 2007; the 2007 Fair on Hubei-Hong Kong Economic Cooperation in May 2007; 2006 and 2007 Ningbo – Hong Kong Economic Cooperation Forum in Ningbo and Hong Kong in September 2006 and September 2007 respectively; the 16th Shanghai Fair cum the 1st International Import Commodities Fair in Shanghai and the 2007 China (Nanjing) Golden Autumn Economic and Trade Fair cum Jiangsu International Service Outsourcing Conference in Nanjing in September 2007. The Shanghai ETO also helped to arrange for senior HKSARG officials to attend some of the events and to meet with Mainland officials visiting Hong Kong.

3. The Shanghai ETO has also established contact with members of the “Hong Kong Family”, including the Hong Kong Trade Development Council (HKTDC), the Hong Kong Chamber of Commerce in China - Shanghai Branch (HKCCC), the Hong Kong Tourism Board (HKTB), etc., in the region, and worked with them to promote Hong Kong. On 16 May 2007, the Director/Shanghai ETO accepted the HKCCC’s invitation and became their Honorary Advisor. He has personally met with the principal representatives of over 40 major Hong Kong companies operating in the region to understand their operations and issues of common concern.

4. After the announcement of the new liberalisation measures under CEPA Supplement IV in June 2007, the Shanghai ETO, together with the HKTDC, assisted the Shanghai Municipal Government in organising a seminar in Hong Kong on 1 August 2007 to introduce the arrangements that Shanghai would make to facilitate the implementation of the new CEPA measures, and also meetings on 2 August 2007 with relevant service sectors in Hong Kong to get their views on how the measures could be effectively implemented.

5. The Shanghai ETO has also organised trade missions for members of Hong Kong chambers of commerce, trade and industry organisations and enterprises to various cities to help them better understand the latest developments and business opportunities in these cities and enable them to establish contact with local government officials, and to provide a platform for business matching with Mainland enterprises. So far, the office has organised trade missions to Xuzhou, Suqian and

Lianyungang in Jiangsu Province, and Yiwu in Zhejiang Province. It is also working with the Commerce and Economic Development Bureau (CEDB) to organise the participation of Hong Kong's creative industries in the 2007 Shanghai International Creative Industry Week to be held in mid November 2007, to showcase Hong Kong's creative industries and to foster exchanges with the creative industry sectors of other countries and cities.

6. The Shanghai ETO collects regularly from relevant Mainland government authorities the latest information on economic and trade policies and regulations, and disseminate such information to relevant government bureaux and departments, and business sectors in Hong Kong. From February 2007, the office began issuing a monthly newsletter to major Hong Kong trade and industry organisations and enterprises. It has also consulted Hong Kong enterprises in the region on various Mainland policies and regulations which might have an impact on their operations, and relayed their comments and concerns to relevant authorities. The office also provides assistance to Hong Kong companies and residents where appropriate.

Researches

7. The Shanghai ETO has commissioned consultancy studies to explore business opportunities in the region for Hong Kong businesses, and has provided the findings to the CEDB for consideration.

Public Relations

8. The Director and key staff of the Shanghai ETO have paid courtesy calls on senior provincial and municipal officials responsible for Hong Kong and Macau affairs, and economic and trade affairs in key cities throughout the region to establish working relationships, and will continue to do so to strengthen the relationships and to establish new contacts.

9. The Shanghai ETO organised on 1 February 2007 an opening ceremony cum gala dinner, which was officiated by the then FS. The event was well attended by senior Mainland officials (some at vice-ministerial level) and senior representatives of major Hong Kong and Mainland chambers of commerce, trade and industry associations, enterprises and the media. The office also arranged for the FS to meet with Shanghai Mayor HAN Zheng and other senior government officials of the Shanghai Municipal Government.

10. To publicise its establishment and main functions and to promote Hong Kong's excellent investment environment, and "partnership" and "co-operation" between HKSAR and the region, the Shanghai ETO organised a roving exhibition in Shanghai, Hangzhou, Nanjing, Hefei and Wuhan in February and March 2007. The office also commissioned Dragon TV (the major TV channel in the eastern region of the Mainland) to produce a series of six five-minute episodes on Hong Kong and the Shanghai ETO, which was broadcast on six consecutive days in February 2007 in a prime time programme.

10th Anniversary Celebration Activities

11. To celebrate the 10th anniversary of the establishment of the HKSAR, the Shanghai ETO has organised and co-organised with other parties the following major

activities -

- (i) two performances of “The Smiling, Proud Wanderer” by the Hong Kong Dance Company at the Shanghai Grand Theatre on 8-9 June 2007;
- (ii) a large-scale reception cum roving exhibition opening ceremony in Shanghai on 25 June 2007;
- (iii) a roving exhibition in Shanghai, Hangzhou, Ningbo, Nanjing, Changzhou, Hefei, Wuhu, Wuhan and Yichang from end June to late August 2007;
- (iv) putting up 10th anniversary banners and buntings and broadcasting videos on the outdoor LEDs at multiple locations in the city centre of Shanghai; and broadcasting 10th anniversary videos on large LEDs at 11 major subway stations in Shanghai and on small LEDs at station platforms and inside train carriages between mid-June and mid-July 2007;
- (v) a tea gathering cum departure ceremony on 22 July 2007 for 10-year-old Mainland students who have been chosen to take part in the “Little Journalists Programme” organised by the HKTB;
- (vi) an exhibition called “Reversing Horizons – Artist Reflections of the Hong Kong Handover 10th Anniversary” from 8 July to 8 August 2007, showcasing the works of art by about 30 Hong Kong artists over the past 10 years; and
- (vii) designing and producing a float to participate in the 2007 Shanghai Tourism Festival Float Parade cum In-city Tour held from 15 September to 6 October 2007, to publicise the Shanghai ETO, the 10th anniversary of the establishment of the HKSAR, the successful implementation of “One Country, Two Systems” and the Basic Law, and the 2008 Olympic equestrian event in Hong Kong; and
- (viii) a large-scale seminar in Shanghai on 1 November 2007 to promote the relevant modern service sectors of Hong Kong under Supplement IV to CEPA.

12. The Shanghai ETO has established and maintained close contact with Hong Kong media agencies stationed in Shanghai and Mainland media agencies in the region, to promote Hong Kong and its work. In 2007, the Director/Shanghai ETO has had more than 40 meetings, interviews, press conferences and lunch gatherings with various media agencies. He has also made use of every public speaking opportunity to promote Hong Kong and the office.

Investment Promotion

13. The Shanghai ETO has an Investment Promotion Unit (IPU) which is responsible for encouraging Mainland investments to Hong Kong, by providing more direct and effective services to potential enterprises in the region. It has visited 238 companies and generated 84 prospective and 25 live projects, and completed seven projects in its first year of operation. The IPU also participated in 11 important fairs and exhibitions, attended and organised seminars, briefing sessions and workshops in the region.

14. In June 2007, InvestHK announced a Nationwide Publicity Campaign called “On Your Marks, Get-set Go” to promote Hong Kong’s investment environment,

targeting privately owned enterprises. The IPU assisted in organising the first wave of campaign activities in Hangzhou and Yiwu in August and September 2007. Over 260 mainland companies attended the events and the IPU would follow-up with potential target companies .

2010 Shanghai World Expo

15. The Shanghai ETO has been acting as the HKSARG's liaison office in regard to the preparation for the HKSAR's planned participation in the 2010 Shanghai World Expo, and has maintained close contact with the Bureau of Shanghai World Expo Coordination, which is responsible for coordinating the participation of all countries, international organisations, regions, cities and enterprises.

Looking Ahead

16. The Shanghai ETO will continue to expand its network and build up its database on relevant trade and economic information and on Hong Kong enterprises operating in the region, and disseminate useful information to its constituents in a timely manner. It will strengthen its efforts to help Mainland enterprises to "go out", and facilitate Hong Kong businesses and professionals to enter the Mainland market by organising trade missions to cities in the region, apart from advising them on the economic development and business environment of these cities. It will continue to identify research subjects and embark on useful studies in collaboration with Hong Kong and Mainland experts and share the research results with the relevant HKSARG policy bureaux and Mainland authorities. One of the major tasks for the coming year is to work with the responsible policy bureaux and departments in Hong Kong to draw up the plan for setting up the Hong Kong Pavilion at the 2010 Shanghai World Expo.

Hong Kong Economic and Trade Office in Shanghai
November 2007

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

Since the Chengdu ETO came into operation on 28 September 2006, it has been endeavouring to promote economic ties and conduct exchange on other fronts with Sichuan, Hunan, Guizhou, Yunnan, Shaanxi and Chongqing. In its first year of operation, the office has organised 17 exhibitions attracting over 500,000 spectators, seven seminars and talks with over 1,000 participants, nine cultural exchange activities with over 7,000 participants, and supported nine Hong Kong delegations to central and western China.

Commercial Relations

2. The Chengdu ETO supports Hong Kong enterprises operating, or seeking to operate, in the central and western provinces by -

- (a) organising trade missions, seminars and exhibitions for business sectors to understand the local business environment, promote their own services and network with counterparts in relevant industries;
- (b) conducting research and disseminating information on local economic development, trade policies and regulations; and
- (c) reflecting issues of common concern among Hong Kong investors and following up requests for assistance.

3. Major activities during the year include: (i) two trade missions led by the Chief Executive to study the business environment in Hunan and Guizhou, (ii) a study tour on the development and production of Chinese medicine in Sichuan, (iii) a seminar to promote cooperation in Chinese medicine between Hong Kong and Sichuan, (iv) a trade mission to Hunan on processing trade led by the Secretary for Commerce and Economic Development, (v) a seminar to promote Hong Kong's professional services in real estate-related fields, (vi) a research on the implementation of CEPA in Sichuan, and (vii) a series of promotional events, including exhibitions and dinner receptions to promote the service of the Chengdu ETO.

Public Relations

4. The Chengdu ETO is tasked to promote Hong Kong's image as Asia's World City, build up connections with official, commercial and third-sector organisations, and foster cultural exchange through a wide range of activities. It has organised five Hong Kong film festivals, 11 roving photo exhibitions in central and western cities, two exchange visits for Hong Kong university students, a gala concert by Hong Kong musicians, master classes conducted by some of Hong Kong's top musicians for music students in Sichuan, etc. In many of these activities, free tickets are distributed to disadvantaged groups such as people with disabilities, children in orphanages and lone elders. To celebrate the inauguration of the Chengdu ETO and the 10th Anniversary of the Establishment of the HKSAR, the office has also hosted official ceremonies and dinner receptions attended by government officials, business leaders and academics from CPG, Hong Kong and the

various provinces / municipality covered.

5. The office maintains close contact with local governments and public bodies, and has arranged official visits by the Chief Executive, Chief Secretary for Administration, Financial Secretary, Secretary for Constitutional Affairs, Secretary for Commerce, Industry and Trade, Secretary for Financial Services and the Treasury, and Secretary for Environment, Transport and Works during the year. As regards media relations, the Chengdu ETO has conducted 13 press conferences and media briefings, as well as 15 media interviews in the year.

Investment Promotion

6. To attract investment into Hong Kong, the Chengdu ETO proactively promotes Hong Kong's investment environment to business communities in central and western China. Through exhibitions, seminars, roundtable sessions and company visits, it disseminates information on Hong Kong's free economy, advanced infrastructure, low-tax regime, ready access to information and services, etc. as well as services provided by the Invest Hong Kong Service Centre at Chengdu ETO to Mainland enterprises. Enterprises interested in setting up operations in Hong Kong are offered sector-specific consultation and a range of support services to facilitate their entry to Hong Kong.

7. To outreach to Mainland companies with the potential to invest in Hong Kong, the office also participates in local trade fairs and maintains close liaison with local industrial and trade organisations (ITOs) and relevant government departments. In its first year of operation, the Chengdu ETO has individual meetings with over 230 Mainland companies, among whom 35 expresses interest to expand their business in Hong Kong. Expansion plans of 13 of these companies are being pursued with assistance from the office.

8. Investment promotion events hosted by the Chengdu ETO in the year include an "Invest Hong Kong Day" to publicise the establishment of the Invest Hong Kong Service Centre at Chengdu ETO, two roundtables for Chengdu's catering and IT industries, two seminars on Hong Kong's financial services held in Chengdu and Chongqing, a Sichuan delegation's visit to Hong Kong to study the business environment for the catering industry, and an investment promotion seminar covering accounting and taxation, public and private financing, immigration policy and other issues of interest to potential investors in Hong Kong.

Looking Ahead

9. Following the successful launch of the Chengdu ETO in its first year, the office will continue to foster economic ties and cultural exchange between Hong Kong and the central and western regions of the Mainland. In the next 12 months, more research will be conducted on the business environment and economic trends in the provinces and municipalities within the coverage of the office. Findings of such research, together with updates of trade-related policies and regulations on the Mainland, will be disseminated widely through monthly newsletters, an upgraded website of the office, and reports to relevant authorities in Hong Kong.

10. Targeting the potentials and opportunities offered by the growth of certain regions (e.g. the Chengdu-Chongqing Economic Zone) and industries (e.g. logistics and

property-related services), the Chengdu ETO will organise relevant activities for business communities in Hong Kong and the Mainland to explore the investment environment and cooperation opportunities. Investment promotion visits to Mainland companies will also continue.

11. To promote the image of Hong Kong and the service of the Chengdu ETO, the office will continue to organise publicity events and maintain close liaison with the media. Connections with local authorities, ITOs and other civil organisations will also be strengthened through visits, meetings and joint functions. In addition, more cultural exchange activities will be organised to foster mutual understanding and friendship between the people of Hong Kong and the central and western regions.

The Hong Kong Economic and Trade Office in Chengdu
November 2007