

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

**Report on the Work of
HKSAR Government'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 2008 and May 2009. Details of the work of these four Mainland Offices are set out in Annexes 1 to 4.

<u>Mainland Offices</u>	<u>Annex</u>
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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 to (a) enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSARG), 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 15 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. BJO continued to maintain close liaison with the Mainland authorities during the report period. We arranged calls and provided logistics support to 24 visits including two visits to Beijing by the Chief Executive (December 2008 and March 2009) and the visit to the three northeast provinces (Heilongjiang, Jilin, and Liaoning) (July 2008) by a delegation led by the Chief Executive, two visits to Beijing by the Chief Secretary of Administration (both in September 2008), a visit to Beijing by the Secretary for Justice (April 2009), and 18 other visits by other principal officials. We also proactively maintained liaison with the Beijing Organizing Committee for the 2008 Olympic Games and supported the promotional activities related to the Games.

3. BJO also maintained its network with relevant Mainland offices of the Hong Kong Trade Development Council (HKTDC), Hong Kong Tourism Board, Hong Kong Exchanges and Clearing Limited, and major Hong Kong related business chambers and Hong Kong students studying in Beijing. For examples, we joined a Hong Kong business delegation to Shandong organised by the HKTDC in March 2009. We were also one of the co-organisers of the "Exchange Forum between Beijing Municipal Government and the Hong Kong Chamber of Commerce in China (HKCCC)" held in April 2009. We also supported the campus activities held in Renmin University, Peking University, and Tsinghua University organised by Hong Kong students during the period. Students were also notified of the commencement of the civil service recruitment exercises.

4. BJO provided regular reports to bureaux and departments to enable them to better understand the policies and developments in the Mainland and assess possible implications on Hong Kong. Examples include information on the latest developments in respect of H1N1 Influenza A.

Commercial Relations

5. BJO assisted in the organisation of the "12th Beijing-Hong Kong Economic Cooperation Symposium" held in Hong Kong in November 2008. Apart from exploring opportunities for trade and economic cooperation, the scope of the Symposium was further expanded to cover urban planning and development, financial services, producer services, technology, tourism and public health issues. In March 2009, BJO helped with the logistics for holding the "Forum on Assisting Hong Kong Invested Enterprises to Explore the

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.

Domestic Market” in Beijing. The Forum was attended by officials of the HKSAR Government and the Ministry of Commerce, as well as representatives from the trade in Hong Kong.

6. BJO participated in the 19th Harbin International Economic and Trade Fair held in June 2008. During the Fair, BJO attended the “2008 Hong Kong Brands and Products Expo, Harbin” and the related promotional activities held by the Chinese Manufacturers’ Association of Hong Kong. BJO also took part in the “4th China Jilin Northeast Asia Investment and Trade Expo cum 2nd Northeast Asia Economic and Trade Cooperation High Level Forum” held in September 2008. Furthermore, BJO attended a number of trade fairs held in Tianjin, Henan, Hebei, Shandong, Shanxi, Qinghai etc. to establish and enhance our ties with relevant local authorities with an aim to promote trade and exchange.

7. From June to July 2008, BJO liaised with the Ministry of Commerce on matters regarding further liberalization measures of the Closer Economic Partnership Arrangement (CEPA) and provided the latest information on CEPA to Hong Kong related business sectors in the Mainland. We also gathered views on CEPA from the business sectors and relayed to the relevant departments in Hong Kong for further consideration. Moreover, BJO sought further background information with various Mainland authorities regarding the drafting and implementation details of the Mainland laws/regulations that affect Hong Kong businesses. Examples include the “Implementation Regulations on Labour Contract Law (Draft)”, “Regulations on Democratic Management by Enterprises”, “Law of Social Insurance (Draft)” and “Provisional Regulations on Value-added Tax”.

Investment Promotion

8. On the task of attracting mainland enterprises to establish and invest in Hong Kong, the North China Investment Promotion Unit of BJO has endeavoured to proactively liaise and visit potential enterprises, relevant commercial and industrial organisations to introduce the advantages of Hong Kong as a place for investment and a platform for extending operation to overseas. We also provided the interested enterprises with comprehensive assistance and consultation services. Between June 2008 and May 2009, 316 companies were visited, 56 prospective and 28 live projects were generated and 21 projects were completed. On large scale promotion events, BJO attended 57 industry-specific or investment seminars and exhibitions, as well as organised a seminar in April to introduce to the participants the advantages of investing in Hong Kong and related procedures.

Public Relations

9. To enhance Mainlanders’ understanding of Hong Kong, BJO staged mini-exhibitions at 23 large-scale exhibitions and other promotional events in the past year in provinces, autonomous regions and municipalities under BJO’s purview. The exhibitions featured the latest developments in Hong Kong, highlighting the Equestrian Events of the Beijing 2008 Olympic Games. These exhibitions and events were visited by more than 250,000 people.

10. To reach out to a wider audience, BJO promoted Hong Kong through regular weekly radio programmes that were co-produced with China National Radio. More than 20 million people tuned in to the radio programmes each week. BJO also worked with the People’s Daily Online to produce a dedicated website to publicise the latest developments in Hong Kong - Asia’s world city. The average monthly hit rate of the website exceeded 0.77 million.

11. Besides, BJO organised jointly with the People’s Daily Online a photo competition to showcase Hong Kong through the photographic images taken by Mainland residents.

During the three months following the launch of the competition in December 2008, more than 2,000 entries were received from 28 provinces, autonomous regions and municipalities.

Immigration-related Matters and Assistance Rendered

12. Immigration matters handled by BJO include processing applications for entry to Hong Kong, liaising and maintaining contacts with counterparts in relevant CPG departments on immigration and nationality matters, 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 Mainland. Between June 2008 and May 2009, BJO received a total of 201 requests for assistance from Hong Kong residents in distress in the Mainland. Of these, 40 cases involved the loss of travel documents or monies, 148 cases were from persons who were in danger, involved in traffic accidents, injured or whose relatives had passed away in the Mainland, etc, and the remaining 13 cases involved the detention of Hong Kong residents in the Mainland. In addition, BJO processed 6,713 entry applications and handled 23,263 enquiries.

13. Since March 2001, BJO has started an arrangement to provide emergency financial assistance to Hong Kong residents in the Mainland who have lost their monies and who could not seek immediately from their family members the financial assistance. BJO could advance a reasonable amount of money to the persons in need subject to their undertaking to repay the advanced sum in full and return to Hong Kong immediately. Between June 2008 and May 2009, there were 6 assistance cases where emergency financial assistance was provided, involving a total of RMB 16,202.16.

14. BJO also handles cases other than those concerning loss of travel documents and personal safety. Between June 2008 and May 2009, BJO handled a total of 21 cases on business and trade disputes, 34 cases on matters relating to real estate in the Mainland, 86 cases on matters relating to administrative, law enforcement and judicial agencies in the Mainland and 15 other cases mainly by making referrals to and following up the cases with the relevant Mainland authorities.

Looking Ahead

15. The People's Republic of China will celebrate its 60th anniversary in 2009. BJO will proactively support and participate in celebration activities organised by the CPG and the HKSAR Government. BJO will also stage exhibitions on winning entries of the photo competition in Beijing and other cities. We will continue to promote the 2009 East Asian Games and offer support to Hong Kong arts groups performing in Beijing.

16. BJO will continue to monitor major developments in economic and trade policies and initiatives in the Mainland, in particular the preparatory work of the National 12th Five-Year Plan. The preparatory work for the "13th Beijing – Hong Kong Economic Cooperation Symposium" tentatively scheduled for late October 2009 has also commenced.

Beijing Office
June 2009

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

The Hong Kong Economic and Trade Office in Guangdong (GDETO) is responsible for handling economic and trade matters between the Hong Kong Special Administrative Region (HKSAR) and the five provinces/region of Fujian, Jiangxi, Guangdong, Guangxi and Hainan. Similar to other HKETOs, the GDETO serves to promote Hong Kong's economic and trade interests, and seeks to attract investment to Hong Kong.

2. To continue to strengthen our ties with the provincial and municipal authorities in the five provinces/region as well as the non-governmental organisations there, we co-organised with the Hong Kong and Macao Affairs Office/Foreign Affairs Office of the five provinces/region under GDETO's coverage the third of the series of roving TV programmes in March 2009 in Jiangxi. The show, jointly produced by Jiangxi Department of Culture, Jiangxi Provincial Information Office, Jiangxi Department of Broadcasting and Television, Jiangxi Provincial TV Station, and the Hong Kong Television Broadcasts Limited, was well received by an audience of over 1,500. We have arranged for the show to be broadcast in the Mainland and Hong Kong. The next TV show will be held in Hainan.

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 businesses and assist them in looking for investment opportunities in the Mainland. The seventh Gala Dinner for Hong Kong enterprises operating in the Pearl River Delta (PRD) region was organised in November 2008 in Jiangmen, which was attended by about 1,000 Hong Kong businessmen.

4. In the past year, we continued to provide logistical support to major meetings/activities held in the five provinces/region under GDETO's coverage, including the Pan-PRD Regional Cooperation and Development Forum, the Hong Kong/Guangdong Cooperation Joint Conference, the Closer Economic Partnership Arrangement (CEPA), etc. With the growing economic relation between Hong Kong and the Mainland in recent years, we 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. 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 rules and regulations, as well as economic and trade-related development and activities in the provinces/region under GDETO's coverage.

6. GDETO organised a number of activities to promote the business development of Hong Kong enterprises in the Mainland and enhance their understanding of relevant rules and regulations. These activities covered a variety of topics of concern among Hong Kong businessmen, e.g. customs related policies, tax related regulations, measures to assist enterprises to cope with the financial turmoil, etc. Separately, GDETO organised the third and fourth meetings of the "Joint Conference on the Transformation and Upgrading of Hong Kong-invested Enterprises in Dongguan" on 5 June and 11 November 2008 respectively in Hong Kong. Representatives from Dongguan Municipal Government and other relevant government departments met with representatives from GDETO and the four major chambers

of commerce of Hong Kong to discuss issues of concern to Hong Kong businesses, and to learn more about the difficulties experienced by Hong Kong-invested companies in their course of transformation and upgrading.

7. In order to assist Hong Kong businesses to better understand upgrading, restructuring and relocating of enterprises within the Pan-PRD region, GDETO and HKETO in Chengdu have jointly launched a platform to provide latest information on the relevant policies and investment environment of the respective provinces/region for reference online.

8. GDETO also organised study missions from time to time to assist Hong Kong businesses to understand the investment environment in the Mainland. On 10-13 December 2008, GDETO assisted in arranging a business delegation led by the Financial Secretary (FS) to visit the Guangxi Zhuang Autonomous Region. During the visit, the delegation attended the 50th Anniversary of the Guangxi Zhuang Autonomous Region. The delegation met with senior officials of the Guangxi Zhuang Autonomous Region and Nanning city. They also visited Hong Kong owned and Mainland enterprises in the city, attended the Guangxi-Hong Kong Economic and Trade Meeting, and toured around the Pingxiang Logistics Park in the China-ASEAN Free Trade Zone. The visit strengthened the tie between Hong Kong businesses and Guangxi as well as their understanding of the latest investment environment in Guangxi. At the same time, the visit also explored the feasibility of using the China - ASEAN Free Trade Zone in Guangxi as the platform to attract Hong Kong enterprises who are interested in the ASEAN market to open up businesses in Guangxi. This has helped Hong Kong enterprises to further explore investment opportunities in Guangxi.

9. The Chief Executive (CE) attended the Boao Forum for Asia Annual Conference 2009 on 17-18 April 2009. GDETO assisted in arranging CE's and HKSAR Government official delegates' participation in various events during the Forum. In addition, GDETO also arranged CE's visit to Dongguan on 12 November 2008 and FS' visit to Huizhou on 14 January 2009, with a view to enhancing communication with Hong Kong traders operating in Guangdong and understanding better their needs in face of the economic turmoil.

10. GDETO continued to actively assist Hong Kong enterprises by reflecting their common concerns to the relevant local government departments and taking follow-up actions. Some important issues included meeting the challenges of the financial turmoil, expanding businesses to Mainland's domestic market, processing trade policy adjustment, arrangements on exports of textiles products, environmental protection policies, labour policies, as well as policies on product safety.

Investment Promotion

11. 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 has endeavoured to promote the image of Hong Kong as the ideal platform for Mainland enterprises to expand their businesses and to enter into the global market.

12. GDETO has built up and maintained strategic working relationship with the relevant local government departments and more than 30 local trade and industry organisations. These strategic partners would refer their contacts and members to us for assistance if they are interested in investing in Hong Kong.

13. In the past 12 months, GDETO conducted about 251 meetings with Mainland enterprises, and provided advice and assistance to them for setting up a presence in Hong Kong. During this period, GDETO generated 73 prospective projects and 35 live projects respectively, and completed 17 projects.

14. Furthermore, GDETO organised or co-organised a total of seven investment promotion activities such as seminars and CEO luncheon, etc. in four cities namely Guangzhou of Guangdong, and Fuzhou, Xiamen and Quanzhou of Fujian. We also organised investment study missions for Guangdong enterprises to Hong Kong in June and September 2008 respectively. Apart from that, we sent representatives to give talks in the seminars organised by different bodies in the region and participated in local trade and investment events such as seminars on "Investing in Hong Kong for Going Global" in Shenzhen in June 2008 and "How Should Enterprises Cope with the Global Financial Crisis" in Fuzhou in March 2009.

Public Relations

15. CE and various principal officials' frequent visits to the Mainland have provided opportunities to foster government-to-government connections. The highlights of such visits included the CE's visit to Guangzhou and Boao, the Chief Secretary's visits to the nine major cities in the PRD region, and FS' visit to Nanning, Guangxi. Media plans were coordinated to facilitate local and Hong Kong media to cover the visits where appropriate.

16. To celebrate the 11th anniversary of the HKSAR and to promote the image of Hong Kong, GDETO organised a cocktail reception in July 2008 which was well attended by representatives of the provincial and municipal governments, non-governmental organisations and trade associations. A banquet to celebrate the sixth anniversary of GDETO was also organised in October 2008. The event helped to foster the relationship between GDETO and the provincial and municipal governments, non-governmental organisations and trade associations in the five provinces/region under GDETO's coverage.

Others

17. Immigration matters handled by GDETO include handling enquiries on immigration-related matters, and providing practical assistance to Hong Kong residents who have lost their travel documents or encountered personal safety problems in the areas under the coverage of GDETO. Between June 2008 and May 2009, GDETO handled 428 enquires and rendered assistance to 147 cases which were related to loss of travel documents and personal safety problems.

18. Since November 2007, GDETO has started an arrangement to provide emergency financial assistance to Hong Kong residents in the Mainland who have lost monies and who could not seek immediately from their family members the financial assistance. One case requiring the provision of emergency financial assistance was received during the period.

19. GDETO also handles cases other than those concerning loss of travel documents and personal safety. Between June 2008 and May 2009, GDETO handled a total of 45 cases on economic and trade-related matters, and 53 cases on real estate, land compensation and other issues, mainly by making referrals to and following up the cases with the relevant Mainland authorities.

Looking Ahead

20. In view of the frequent cooperation between HKSAR and the Mainland provinces/cities in the areas of economy, trade, culture and education; the pilot measures in Guangdong under the CEPA; and publication of "The Outline of the Plan for the Reform and Development of the Pearl River Delta"; GDETO will continue to serve as the bridge of liaison between Hong Kong and the local Mainland authorities, and to promote mutually beneficial regional cooperation. We will try our best to assist Hong Kong businesses with operations in the five

provinces/region in their upgrading and relocation. In addition to providing services to Hong Kong businesses, we will continue our efforts in facilitating investment of potential enterprises from the five provinces/region to Hong Kong. Taking into account the varied potential and economic development of the provinces/region within GDETO's coverage, we will continue to intensify our work in Guangdong and Fujian, and consolidate the groundwork for future cooperation in the other provinces/region.

Hong Kong Economic and Trade Office in Guangdong
June 2009

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

The main functions of the Hong Kong Economic and Trade Office in Shanghai (SHETO) are (a) to enhance liaison and communication between the Government of the Hong Kong Special Administrative Region (HKSAR), Mainland authorities in the Municipality of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Hubei; (b) to promote Hong Kong and facilitate economic and trade cooperation between Hong Kong and the above places; and (c) to provide suitable assistance to Hong Kong residents in need.

Commercial Relations

2. SHETO organised and participated in a number of major trade promotion events to promote Hong Kong's business sector and help them explore business opportunities in the region covered.

3. Pursuant to the announcement of CEPA Supplement V in July 2008, the Shanghai Foreign Economic Relations and Trade Commission organised a CEPA training course from 31 July to 1 August 2008 in Shanghai to enhance Shanghai government officials' understanding of CEPA. SHETO actively supported the event. Apart from delivering a speech on "Measures taken by HKSAR Government to promote and support the implementation of CEPA", Director, SHETO invited the Government Economist of HKSAR Government to speak on "How CEPA can facilitate economic integration of Hong Kong and the Mainland". More than 130 Shanghai government officials at municipal and district levels attended.

4. In July 2008, SHETO organised a trade mission comprising representatives of Hong Kong's logistics and procurement sectors to visit Yiwu and Ningbo in Zhejiang Province. SHETO also co-organised with the Hong Kong Institute of Bankers' Association in July 2008 a study mission by Hong Kong and other international bankers to visit Shanghai. The purposes of these visits were to promote Hong Kong's service industry, to enable Hong Kong's business sectors to have a better understanding of the latest developments as well as business opportunities in these cities, and to provide a platform for Hong Kong businesses to meet with relevant Mainland enterprises.

5. SHETO provided timely reports to relevant bureaux and departments of the HKSAR Government, and kept Hong Kong business and trade organisations informed, through newsletters and special notices, on the latest economic and trade policies, regulations and measures in the region covered. The office also monitored the views of Hong Kong businesses on Mainland policies and regulations that might have impact on their business and other issues of common concern, and reflected their views to relevant Mainland authorities for consideration where appropriate.

6. SHETO provided assistance to various Mainland provinces and cities in organising trade promotion activities in Hong Kong, by helping them to liaise with the relevant bureaux and departments of the HKSAR Government as well as trade and industry organisations, and to invite HKSAR government officials to attend the activities. The office also assisted in organising courtesy calls on senior HKSAR government officials for the visiting Mainland officials.

Investment Promotion

7. The Investment Promotion (IP) Division of SHETO continued to actively promote Hong Kong's investment environment, identify and approach potential Mainland companies and provide them with free one-stop services to attract them to invest or set up operations in Hong Kong. From June 2008 up to May 2009, the IP Division conducted 25 investment promotion visits, met with 277 companies, generated 85 prospective projects and 14 live projects. During the report period, 14 projects were successfully completed.

8. The IP Division attended and set up exhibition booths at three trade fairs/fora, namely, 2008 China Yiwu International Commodity Fair, 10th Zhejiang Investment and Trade Symposium and 2008 China (Wuxi) International Co-operation Forum for Commercial Associations. The IP Division also organised three seminars/roundtables on Hong Kong's investment environment on 23 June, 26 June and 23 October 2008 respectively.

9. In collaboration with Invest Hong Kong, the IP Division assisted in carrying out a nationwide marketing campaign called "On Your Marks, Get-set Go" in Jiangsu Province to promote Hong Kong's investment environment, targeting privately owned enterprises. A kick-off seminar was held in Nanjing on 25 March 2009, which was attended by over 200 companies.

10. The IP Division also arranged visits to Hong Kong for Mainland officials and business leaders to learn about Hong Kong's latest economic climate and investment environment. These included visits by Deputy Mayor of Wuxi of Jiangsu Province on 25 February 2009, Mainland executives attending a course by Antai College of Economic and Management of Shanghai Jiaotong University on 16-17 April 2009, and Jiaying Bureau of Foreign Trade and Economic Co-operation of Zhejiang Province on 20 April 2009.

Public Relations

11. SHETO continued to maintain close liaison with the Mainland authorities and provided timely reports to HKSARG bureaux and departments on the latest policies, regulations and measures of concern.

12. SHETO arranged meetings with senior Mainland officials and visits to relevant Mainland agencies and institutions for visiting principal and other senior HKSAR government officials. Such visits included Permanent Secretary for Constitutional and Mainland Affairs' visit to Shanghai to attend the second co-ordination meeting on HKSAR's participation in the Expo 2010 Shanghai China (Expo) (December 2008); visit by Permanent Secretary for Commerce and Economic Development to Shanghai (February 2009); Head, Central Policy Unit's visit to Shanghai (February 2009); Secretary for Transport and Housing's visit to Shanghai (March 2009); and the visit by the Chief Executive to Hefei, Anhui Province to attend the 4th Expo Central China (April 2009).

13. On 6 February 2009, SHETO held a spring reception in Shanghai. More than 200 senior officials and representatives of industry and trade organisations and enterprises of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Hubei attended the spring reception.

Promotional Activities

14. Between October 2008 and January 2009, SHETO organised a roving exhibition in six cities in the region covered (Hefei, Nanjing, Hangzhou, Wuhan, Suzhou and Shanghai) to promote Hong Kong, the economic and trade relations and cooperation on other fronts between Hong Kong and the places concerned, and HKSAR's participation in the Expo.

15. On 4-8 November 2008, SHETO set up a booth at the "China International Industry

Fair 2008” held at the Shanghai New International Expo Centre to promote Hong Kong, the work of SHETO, and Hong Kong’s participation in the Expo.

16. To help publicise the Olympic and Paralympic Equestrian Events held in Hong Kong in August and September 2008, SHETO publicised relevant information in the office’s publicity pamphlets, put up display panels and distributed souvenirs at publicity events, and enlisted the assistance of 10 Hong Kong enterprises in Shanghai to display exhibition panels and broadcast promotional videos in their buildings.

Research

17. SHETO jointly commissioned, with the Shanghai Foreign Economic Relations and Trade Commission and the Economic Committee of Shanghai Pudong New Area, the Shanghai Research Institute of International Economy and Trade, to carry out a consultancy study on “Economic Complementarity and Mutual Development of Hong Kong and Shanghai”. The study was completed in July 2008. SHETO forwarded the consultancy report to the concerned bureaux and departments of the HKSAR Government for their consideration, with a view to facilitating their formulation of relevant policies and measures.

2010 Shanghai World Expo

18. The Expo will be held from 1 May to 31 October 2010, with the theme “Better City, Better Life”. HKSAR will participate extensively, including constructing a Hong Kong Pavilion, setting up an exhibition in the Urban Best Practices Area, participating in Expo Shanghai Online and organising various activities, including a “Hong Kong Week” and various cultural performances.

19. SHETO continued to act as HKSAR Government’s principal liaison point with the Expo organisers on all matters relating to HKSAR’s participation.

Assistance rendered to Hong Kong Residents

20. Between June 2008 and May 2009, SHETO handled 9 cases on economic and trade-related matters, and 35 cases on real estate and other issues, mainly by making referrals to the relevant Mainland authorities and monitoring developments.

Looking Ahead

21. SHETO will continue to expand its liaison network throughout the region covered, and embark on more targetted trade promotion efforts to help Hong Kong’s businesses to further explore the Mainland market. Support of Mainland government agencies and trade and industry organisations will continue to be enlisted to organise sector-specific trade missions and other business-matching activities. There will be continued publicity to promote Hong Kong in general and more specifically our excellent modern services and investment environment, talent admission schemes, CEPA liberalisation measures, successful implementation of the Basic Law and the principle of “One Country, Two Systems”, HKSAR’s participation in the Expo, East Asian Games, etc. The IP Division would continue to identify and attract potential Mainland enterprises to invest or set up operations in Hong Kong.

22. With less than one year to go before the opening day, work on the Expo front will increase further. SHETO will continue to act as an effective and efficient liaison point for HKSAR Government and will organise publicity in the region covered to promote HKSAR’s participation.

Hong Kong Economic and Trade Office in Shanghai
June 2009

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

The Hong Kong Economic and Trade Office in Chengdu (CDETO) is responsible for handling economic and trade matters between the Hong Kong Special Administrative Region (HKSAR) and Sichuan, Yunnan, Guizhou, Hunan, Shaanxi and the Municipality of Chongqing. The major duties of the CDETO include: promoting economic and trade ties and cooperation between the HKSAR and the above provinces and municipality; assisting Mainland enterprises to invest in Hong Kong; providing support to Hong Kong enterprises; enhancing cultural exchange and providing assistance to Hong Kong residents in need in the above provinces and municipality.

Commercial Relations

2. Most of the major economic and trade events in the region under the coverage of CDETO were cancelled or postponed in the first few months after the Sichuan Earthquake. In this period, CDETO was devoted to providing support to Hong Kong enterprises operating or seeking to operate in the region covered.

3. During the reporting period, CDETO maintained close liaison with the government departments and public bodies in the region covered; monitored the relocation of Hong Kong-invested industrial enterprises from coastal areas to inland provinces, and disseminated latest information on trade regulations through the monthly newsletters and the website.

4. In October 2008, CDETO received the trade delegation to the 9th Western Expo led by the Secretary for Commerce and Economic Development. In December 2008, CDETO organised a trade delegation to Yunnan, and held two seminars in Kunming and Dali of Yunnan. In February 2009, CDETO launched a webpage to introduce the implementation of CEPA in Sichuan and the relevant regulations.

5. One of the major works of CDETO in the reporting period was to cooperate with the Department of Commerce of Hunan in commissioning a research on “The implementation of CEPA in Hunan”. The research found that since the implementation of CEPA, Hong Kong’s investment in Hunan had doubled as compared with that in the past 16 years, and Hong Kong’s investment had shifted gradually from manufacturing to service industry. Moreover, more Hong Kong products imported into the Mainland were eligible to zero-tariff treatment. In March 2009, CDETO held a joint press conference with the Department of Commerce of Hunan to release the research findings. A large-scale reception was also organised to further introduce to the Hong Kong businessmen and government officials in Hunan the details of CEPA .

Investment Promotion

6. In the wake of the worldwide economic downturn and the Sichuan Earthquake, CDETO devoted much efforts in providing Mainland enterprises with a wide range of services facilitating their business development in Hong Kong during the reporting period. Efforts were also made to deepen Mainland enterprises’ understanding of Hong Kong’s advantages and attracting them to invest in Hong Kong.

7. During the reporting period, CDETO visited 183 Mainland enterprises, initiated 13 new projects, completed 3 projects, as well as generated 20 prospective projects. Assistance

was provided to these enterprises in starting their business in Hong Kong.

8. CDETO, in collaboration with Invest Hong Kong and the Hong Kong Exchange, organised in Chengdu of Sichuan in October 2008, a large-scale investment promotion seminar and a roundtable on financing and listing in Hong Kong to promote Hong Kong's financial and professional services, and to introduce Hong Kong's investment environment and policies. Over 300 participants attended the events in which a number of enterprises showed interest in setting up companies in Hong Kong as their first step in internationalisation of their businesses. CDETO would continue to liaise with and provide opinions and assistance to these enterprises.

9. During the reporting period, CDETO organised and participated in various investment promotion activities to promote contact with Mainland enterprises. These activities included a roundtable on Hong Kong – Your Platform to Go Global for Sichuan legal firms in March 2009, another one for Sichuan Information Technology industry in April 2009, and participation in the 8th China Western Region International Economic Cooperation Fair in Xian of Shaanxi in April 2009. Moreover, CDETO maintained close working relationship with Government agencies and trade and industry organisations in the region covered in order to strengthen the liaison network.

Public Relations

10. During the reporting period, CDETO promoted its role as a bridge between the Hong Kong Government and the Mainland Government by conducting official visits, and participation in exchange sessions, fairs, seminars and exhibitions in the region covered. CDETO also maintained close liaison with the media, and introduced CDETO's latest developments to the Mainland media in different ways, such as interview, press conference, briefing session, tea gathering and dinner etc.

11. In October 2008, CDETO set up a booth at the 9th Western Expo to introduce its work, and to promote Hong Kong as Asia's World City, its advantages in investment and business, as well as the Quality Migrant Admission Scheme. About 2,500 visitors made enquiries at the booth. CDETO also organised a press briefing to introduce our participation in the said Expo to the Sichuan media. A total of 16 reporters attended the briefing.

12. The Director of CDETO was interviewed by about 10 Yunnan media in Kunming of Yunnan in December 2008. He introduced the works and duties of CDETO to the media and offered constructive opinions on Yunnan-Hong Kong cooperation. He remarked that Hong Kong and Yunnan could complement each other economically and there was much room for cooperation and development.

13. In January 2009, CDETO organised a new year luncheon gathering in Chengdu of Sichuan in which representatives from 10 Sichuan media participated. Through this gathering, CDETO enhanced its communication and liaison with the media, and introduced its latest works and developments to the media.

14. The 13th Investment and Trade Forum for Cooperation between East and West China was held in Xian of Shaanxi in April 2009. CDETO organised a press briefing to introduce CDETO's work to the media from various places participating in the Forum. Reporters from seven media attended the briefing.

Others (e.g. Assistance rendered to Hong Kong Residents)

15. CDETO provides appropriate assistance to Hong Kong residents in need, and to make referrals to relevant Mainland authorities in accordance with the circumstances and in

line with the regulations. Between June 2008 and May 2009, CDETO handled a total of 3 cases on economic and trade-related matters, 5 cases on real estate and land compensation, 11 cases on administrative malpractice of Mainland government departments as well as 3 other cases, mainly by making referrals to and following up the cases with the relevant Mainland authorities. CDETO also assists BJO in the field of providing emergency financial assistance to Hong Kong residents in the Mainland who have lost monies and who could not seek immediately from their family members the financial assistance.

16. During the reporting period, CDETO continued to enhance liaison between the HKSAR Government and the Sichuan Government to ensure that resources from Hong Kong to support the Sichuan post-disaster reconstruction were well-utilised. CDETO assisted in arranging a number of visits to Sichuan for different sectors in Hong Kong in order to enhance their understanding of the situation in the earthquake stricken areas and to facilitate their communication with the Sichuan authorities. Visits arranged included those paid by the Chief Executive's delegation and the Legislative Council members.

17. CDETO assisted the HKSAR Government in liaising with the Sichuan Government to work out the coordination mechanism in support of the reconstruction and the list of reconstruction projects. To follow up the matter, CDETO also assisted in arranging a number of joint meetings and site visits to help both sides to reach an early consensus on matters including the principles for HKSAR's participation in the reconstruction and the compilation of the list of selected reconstruction projects, so that reconstruction work could commence smoothly.

18. CDETO also assisted Hong Kong non-governmental organisations intending to provide services in the earthquake stricken areas in matters such as liaison with the relevant Government agencies in Sichuan, and custom clearance of relief materials etc.

Looking ahead

19. Through organising various types of economic and trade-related activities and disseminating updated information to Hong Kong enterprises, CDETO will continue to support Hong Kong enterprises operating or intending to operate in the region covered. On investment promotion front, CDETO will continue to promote Hong Kong as the best investment destination for Mainland enterprises in the region covered. CDETO shall also strengthen communication with relevant authorities in the Mainland, and organise or co-organise large-scale events that will assist Mainland enterprises to foster a better understanding of the investment environment in Hong Kong and the relevant policies and regulations. CDETO will also continue to assist in the liaison between the HKSAR Government and the relevant Sichuan authorities concerning the HKSAR's support in the identification, selection and implementation of reconstruction projects in Sichuan.

Hong Kong Economic and Trade Office in Chengdu
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